Entrepreneurialism in Tourism and Economic Growth in Rwanda

Challenges for Policy Formulation

Callixte Kabera
Dedications
My first educators, my late mother Adèle Numukobwa and late father John Népo-
muscène Mbomboli, who provided me with the pre-educational foundation that
prepared me for formal schooling up to this level, as well as my wife, Eugénie
Mukasekuru, my daughters and sons, who have been constant pillars of love, inspi-
ration, and support.

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Callixte Kabera
Amsterdam, August 2016
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<th>Description</th>
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<tbody>
<tr>
<td>AFDB</td>
<td>African Development Bank</td>
</tr>
<tr>
<td>BA</td>
<td>Bachelor of Arts</td>
</tr>
<tr>
<td>BCDI</td>
<td>Bank of Commerce, Development and Industry</td>
</tr>
<tr>
<td>BRICS</td>
<td>Brazil, Russia, India, China, and South Africa</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CIP</td>
<td>Crop Intensification Program</td>
</tr>
<tr>
<td>COMESA</td>
<td>Common Market for East and Southern Africa</td>
</tr>
<tr>
<td>CoK</td>
<td>City of Kigali</td>
</tr>
<tr>
<td>CPGL</td>
<td>Communauté économique des Pays des Grands Lacs (Great Lakes Economic Community)</td>
</tr>
<tr>
<td>DMA(s)</td>
<td>Development Management Area(s)</td>
</tr>
<tr>
<td>DRC</td>
<td>Democratic Republic of Congo</td>
</tr>
<tr>
<td>Dr.</td>
<td>Doctor</td>
</tr>
<tr>
<td>EDPRS</td>
<td>Economic Development for Poverty Reduction Strategy</td>
</tr>
<tr>
<td>EAC</td>
<td>East African Community</td>
</tr>
<tr>
<td>EICV</td>
<td>Enquête Intégrale sur les Conditions de Vie des Ménages (Integrated Household Living Conditions Survey)</td>
</tr>
<tr>
<td>EOY</td>
<td>Entrepreneurship of the Year</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GEM</td>
<td>Global Entrepreneurship Monitor</td>
</tr>
<tr>
<td>GoR</td>
<td>Government of Rwanda</td>
</tr>
<tr>
<td>ICT</td>
<td>Information, Communication, Technology</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>IPAR</td>
<td>Institute of Policy Analysis and Research</td>
</tr>
<tr>
<td>MBA</td>
<td>Master of Business Administration</td>
</tr>
<tr>
<td>MDGs</td>
<td>Millennium Development Goals</td>
</tr>
<tr>
<td>MICE</td>
<td>Meetings, Incentives, Conferences, and Exhibitions</td>
</tr>
<tr>
<td>MIFOTRA</td>
<td>Ministère de la Fonction Publique et du Travail (Ministry of Labor and Civil Services)</td>
</tr>
<tr>
<td>MINECOFIN</td>
<td>Ministry of Economic Planning and Finance</td>
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<td>MINICOM</td>
<td>Ministry of Commerce and Industry</td>
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<tr>
<td>MM</td>
<td>Million</td>
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<td>NEPAD</td>
<td>New Partnerships for African Development</td>
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<td>NES</td>
<td>National Export Strategy</td>
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<tr>
<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<tr>
<td>NISR</td>
<td>National Institute of Statistics of Rwanda</td>
</tr>
<tr>
<td>NL</td>
<td>Netherlands</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
</tr>
<tr>
<td>OTF</td>
<td>On the Frontier</td>
</tr>
<tr>
<td>ORTPN</td>
<td>Office Rwandais du Tourisme et des Parcs Nationaux</td>
</tr>
<tr>
<td>PSF</td>
<td>Private Sector Federation</td>
</tr>
<tr>
<td>PSI</td>
<td>Policy Support Instrument</td>
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<tr>
<td>RDB</td>
<td>Rwanda Development Board</td>
</tr>
<tr>
<td>RDB-T&amp;C</td>
<td>Rwanda Development Board-Tourism and Conservation</td>
</tr>
<tr>
<td>REDP</td>
<td>Rwanda Exporter and Development Program</td>
</tr>
<tr>
<td>RFTC</td>
<td>Rwanda Federation of Transport Cooperatives</td>
</tr>
<tr>
<td>RHTEA</td>
<td>Rwanda Hospitality and Tourism Educators Association</td>
</tr>
<tr>
<td>RIEPA</td>
<td>Rwanda Investment and Export Promotion Agency</td>
</tr>
<tr>
<td>RNIC</td>
<td>Rwanda National Innovation and Competitiveness</td>
</tr>
<tr>
<td>RFW</td>
<td>Rwandan Franc</td>
</tr>
<tr>
<td>SEZ</td>
<td>Special Economic Zone</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>STDM</td>
<td>Sustainable Tourism Development Master</td>
</tr>
<tr>
<td>TSA</td>
<td>Tourism Satellite Accounts</td>
</tr>
<tr>
<td>TVET</td>
<td>Technical and Vocational Education and Training</td>
</tr>
<tr>
<td>TWG</td>
<td>Tourism Working Group</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
</tr>
<tr>
<td>UNEP</td>
<td>United Nations for Environment Program</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations for Education, Sciences and Culture Organization</td>
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<tr>
<td>UNWTO</td>
<td>United Nations World Tourism Organization</td>
</tr>
<tr>
<td>UNWTO-STMP</td>
<td>United Nations World Tourism Organization-Sustainable Tourism Master Plan</td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar</td>
</tr>
<tr>
<td>UTB</td>
<td>University of Tourism, Technology and Business Studies</td>
</tr>
<tr>
<td>VFRs</td>
<td>Visiting Friends and Relatives</td>
</tr>
<tr>
<td>VU</td>
<td>Vrije Universiteit</td>
</tr>
<tr>
<td>WDA</td>
<td>Workforce Development Authority</td>
</tr>
<tr>
<td>WEF</td>
<td>World Economic Forum</td>
</tr>
<tr>
<td>WTM</td>
<td>World Travel Market</td>
</tr>
<tr>
<td>WTO</td>
<td>World Tourism Organization</td>
</tr>
<tr>
<td>WTTC</td>
<td>World Travel and Tourism Council</td>
</tr>
</tbody>
</table>
Figure 1
Map of Rwanda

This map shows the location of the three national parks and transport infrastructure, revealing existing and planned road improvements, and the proposed rail line.
Figure 2
Maps on travel information about Rwanda
Source: www.lonelyplanet.com @2012 Google.
1

Introduction to and background for the research

1.1 Introduction

Tourism has evolved worldwide, is increasingly expanding, and is considered an avenue for economic growth and a boost for entrepreneurs (Ateljevic & Page, 2009: 1). Christie and Crompton (2001: 15) state that “tourism remains one of the few viable sectors left for many African economies that must be maximized on in order to create business opportunities, accelerate economic growth and improve the quality of life of local populations.” A majority of African governments view tourism as a source of growth and economic diversification (UNWTO, 2012: 1). However, studies incorporating tourism entrepreneurship remain largely neglected in academic research (Ioannides & Petersen, 2003; Li, 2008; Thomas, 2004). Contributions to understanding issues critical to tourism entrepreneurship development and subsequent economic growth remain an untapped area for academic research, particularly in Rwanda. It is my assumption that entrepreneurship in tourism should be an area for policy support and a possible strategy for developing countries in order to increase the quantity and quality of entrepreneurs, since the related results stimulate economic growth. This justifies the thrust of the study on “Entrepreneurialism in tourism and economic growth in Rwanda: Challenges for policy formulation.” The study explores the multiple ways entrepreneurs and policy-makers engage with tourism business opportunities and policy challenges for the development of the tourism business in Rwanda. With growing international competition among tourism destinations and the prevailing tourism business environment mainly driven by globalization and technology (UNWTO, 2011), effective tourism entrepreneurship skills, including knowledge of trends shaping tourist behavior, may be of crucial importance for both tourism development and economic growth in Rwanda. The above-cited dynamics have a direct impact on the ways governments and tourism entrepreneurs craft their strategies and policies to influence, at-
tract, and intensify experiences of travelers through the provision of expected and accepted quality services.

According to Honey (2003), entrepreneurs are recognized as major instigators of business in the tourism industry and substantial shapers of tourism development. The role of entrepreneurs as agents of positive change has also been recognized by Morris and Dickinson (1987), who claim that some local entrepreneurs can be powerful, since they have the ability to manipulate an entire community in pursuit of economic yields. In this process, from the perspective of entrepreneurship, tourism provides unique contexts in terms of the identification of entrepreneurial opportunities, on up to the development of consumable tourism products with economic yield (Ateljevic & Page, 2009). Russell and Faulkner (2004) specifically focus on the extent of entrepreneurial influence on tourism by arguing that entrepreneurs have shaped tourism development on a global scale. They contend that the role of the entrepreneur has sometimes been overlooked, despite the fact that many have directly or indirectly played a significant role in tourism development. The fundamental role of entrepreneurs in the global/local interplay has been emphasized also by Koh and Hatten (2002: 21) in the following statement: “A community’s quantity and quality of supply of entrepreneurs significantly determines the magnitude and form of its tourism foundation as the tourism entrepreneur is at the heart of tourism development.” These authors add that “it is only when tourism entrepreneurs, a community’s climate, landforms, flora and fauna, historic vestiges, and ethno-cultural enclaves are present that tourism opportunities may be transformed into tourist attractions (2002: 27).” Along the same line, Ritchie and Crouch (2003) state that without the influence of entrepreneurs, it is doubtful that a tourism industry would evolve, even in areas that are favorably endowed with resources. In other words, the existence of resources and opportunities themselves are not enough; purposeful action on the part of the entrepreneur is what triggers tourism to develop.

Studies from around the globe also consistently link tourism entrepreneurship with rapid job creation, GDP growth, and long-term productivity increases (Isenberg, 2010). According to Ball (2005), tourism entrepreneurship pervades all sectors of the economy and, in particular, small tourism businesses. Entrepreneurship is crucial for economic growth, productivity gains, and job creation (Henry, Hill, & Leitch, 2003: 3; Van Praag & Versloot, 2007). Tourism, particularly as an important economic activity all over the world, also bears economic benefits as a result of domestic and international travel. In this regard, Ateljevic and Page (2009: 10) note that the hospitality and tourism industry has been a fertile field for entrepreneurial business, citing Thomas Cook’s packages, McDonald’s, Marriott and Hilton hotels, and
international airlines, just to name a few classic entrepreneurial names and examples in the world of hospitality and travel enterprises. Evans (2000:242) advances that many large organizations have had to adopt innovative and creative approaches in their environments in order to compete effectively in a dynamic and fast-changing world market. He asserts that tourism entrepreneurship fits very well in such a setting. For the entrepreneurs in the tourism sector to catch up with that evolving and globalized market, new approaches by both private and public sectors are needed in the creation of innovative businesses as well as tourism development models worldwide. According to Lee and Compton (1992), the ever increasing scale of tourism, one of the fastest growing sectors of the global economy, is not only driven by human needs and a desire for travel but also by business opportunities to respond to an increasing complex of human needs and curiosities. This means that such a move requires the imagination, ingenuity, and creativity of entrepreneurs and policy-makers to make, create, and innovate favorable macroeconomic conditions, and turn opportunities into new products, processes, and forms of management. Currently, governments in both emerging and developed countries are striving to create a fertile environment that nurtures and sustains tourism entrepreneurship. Nevertheless, as pinpointed by Ateljevic and Page (2009: 17), tourism in many countries still suffers from a lack of political will and macroeconomic-conducive measures hampering it from showing its true economic significance. One of the central debates of public policy, common among all modern economies, is the generation of growth and the creation of employment. However, much of the policy aiming to generate such growth and jobs have relied more on traditional macroeconomic policy instruments. A rich body of literature, both theoretical and empirical, suggests a different, less traditional instrument for generating growth and employment, and a focus on policies that generate and promote entrepreneurship is gaining momentum (OECD, 1998; Yu, 1998; Holcombe, 1998). Based on empirical evidence surveyed by the OECD (1998), countries that have experienced an increase in entrepreneurial activity have also enjoyed higher rates of economic growth. In addition, Yu (1998: 906) and Holcombe (1998: 60) point out that entrepreneurship generates growth, because it serves as a vehicle for innovation and change, and a conduit for knowledge spillovers.
1 Introduction to and background for the research

1.2 Contextual background for the research

1.2.1 The tourism sector in Rwanda

The tourism sector in Rwanda has been the top foreign exchange earner and source of income since 2007, and it continues to hold tremendous economic promise. The tourism sector’s performance has undoubtedly contributed to Rwanda’s growth trajectory over the past decade, as a vital source of income and employment (African Development Bank et al., 2013). The role played by entrepreneurialism in current tourism development and the related economic growth of the country cannot be underestimated. As Rwanda’s president, Paul Kagame, stated recently, “Entrepreneurship is the surest way of development.” He is not a lone voice, since, consistently, recent economic studies from around the globe link entrepreneurship, particularly the fast-growth variety, with rapid job creation, GDP growth, and long-term productivity increase (Isenberg, 2010; Brown et al., 2014). Since 2003, the vision of Rwanda’s tourism industry has been to create a globally competitive eco-tourism destination that can contribute significantly to the overall socioeconomic development of the country. To that end, the Rwandan policy on tourism is centered on tourism promotion, on improvement of tourist sites, on development of tourist infrastructure, as well as development of entrepreneurship spirit and quality standards in the hotel and hospitality industries. Both policy-makers in the public sector and entrepreneurs in the private sector have invested in developing tourism experiences in order to put Rwanda on the map as a high value tourism destination. While the country has grown impressively as a tourism destination, and continues to see growing numbers of tourists and receipts since the adoption of the first tourism strategy in 2002 (Government of Rwanda, National export strategy, 2012; WTTC, 2013), some challenges persist and critical questions are raised by tourism stakeholders about where tourism in Rwanda is heading and if the vision for Rwandan tourism now remains the same. In view of growing competition, and a dynamic and fast-changing world tourism market, a key policy question is how to translate this tourism sector in order to generate more diversified and durable sources of economic growth and development. This would require policies that address shortcomings including issues of accessibility, quality service provision that remains suboptimal and is delivered at a high cost, affordability, and competition.

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In 2002, as part of Rwanda's National Innovation and Competitiveness Program, a group of 40 private sector, public sector, and NGO leaders, making up Rwanda's Tourism Work Group, articulated the following vision for Rwanda's tourism industry: “Attract 70,000 visitors who would generate USD 100M in tourism receipts in 2010 by focusing on creating high value and low environmental impact experiences for Eco-travelers, Explorers and Individual Business Travelers.”

Rwanda has succeeded in reaching and surpassing its target of 70,000 visitors, generating 100M in 2010, and far exceeding expectations for Individual Business Travelers, MICE, VFRs, and other individual and group travelers, reaching USD 131M in 2010.

### Table 1
Rwanda's projected and actual receipts in 2010 by segment of tourism experience

<table>
<thead>
<tr>
<th>Segments</th>
<th>Experiences</th>
<th>2010 Receipts</th>
<th>visitor number</th>
<th>spend per day</th>
<th>length of stay</th>
<th>segment receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eco-travellers</td>
<td>Primates – ‘Introductory Primate Certification’</td>
<td>24,000</td>
<td>$320</td>
<td>7.0</td>
<td>$55</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ornithology – ’Nyungwe Name Your Bird’</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other – ‘Butterflies and Flowers Discovery’</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Explorers</td>
<td>Culture – ‘Five Centuries of East African Civilization’</td>
<td>17,500</td>
<td>$220</td>
<td>8.0</td>
<td>$31</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Education – ‘Intore Dance Workshops’</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interest – ‘Conflict resolution and Gacaca’</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual business travelers</td>
<td>Business/leisure – ‘Safe Haven in East Africa’</td>
<td>14,000</td>
<td>$140</td>
<td>5.0</td>
<td>$10</td>
<td></td>
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<tr>
<td></td>
<td>Relaxation – ‘Kivu Riviera Ecursion’</td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>Other</td>
<td>VFR, MICE, other individual and group travelers</td>
<td>14,000</td>
<td>$25</td>
<td>9.0</td>
<td>$3</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>70,000</td>
<td>176</td>
<td>7.0</td>
<td>99.0</td>
<td></td>
</tr>
</tbody>
</table>

### Actual 2010 Receipts

<table>
<thead>
<tr>
<th>Segment</th>
<th>visitor number</th>
<th>spend per day</th>
<th>length of stay</th>
<th>segment receipts in million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eco-travellers</td>
<td>25,380</td>
<td>$285</td>
<td>6</td>
<td>$43</td>
</tr>
<tr>
<td>Explorers</td>
<td>12,770</td>
<td>$125</td>
<td>7</td>
<td>$11</td>
</tr>
<tr>
<td>Individual business travelers</td>
<td>34,522</td>
<td>$190</td>
<td>8</td>
<td>$52</td>
</tr>
<tr>
<td>Other</td>
<td>46,399</td>
<td>$90</td>
<td>6</td>
<td>$25</td>
</tr>
<tr>
<td>Total</td>
<td>119,071</td>
<td>$173</td>
<td>6.8</td>
<td>$131</td>
</tr>
</tbody>
</table>

---

The Rwanda National Tourism Policy that was developed in accordance with the Rwanda National Tourism Strategy, and revised again in 2006, set out to contribute to Vision 2020 by increasing revenues for the country and contributing to the sustainable economic growth of the country. The UNWTO Sustainable Tourism Master Plan followed in 2010 and took its lead from previous strategies. It expanded on the objectives of the national strategy and policy, and outlined marketing and product development strategies for seven Destination Management Areas throughout the country for the next ten years, 2010-2020.

**Figure 3**
Destination Management Areas in Rwanda

The vision for tourism in Rwanda has therefore evolved since 2002, and by 2010 it had expanded from merely creating experiences to interventions characterized by “well-managed marketing, development, and public/private partnerships.” These factors are critical for the growth of Rwandan tourism.

While there is a generally optimistic outlook for the continued growth of tourism in Rwanda and the diverse product Rwanda can offer, several factors seemingly continue to hamper the development of a strong tourism industry: differences in the industry vision among key stakeholders, unsuitable policies of investment mainly by locals, limited private-public dialogue, and lack of coordination in product development and tourism marketing, along with
issues of low capacity, and poor skills and competencies among key players (Rwanda Tourism positioning strategy document, 2013-2018: 5).

In spite of the great achievements cited above and the mixed constraints facing the tourism sector, the government of Rwanda continues to pursue with great interest the development of a strong and stable tourism sector, as a source of income and employment that may constitute an important engine for its economic growth.5

The surge in tourism entrepreneurship seems to be a justification here, since not only do a large number of local individuals, enterprises, or other international networks benefit from the tourism activities6 but this also comprises a possible triggering solution for a sustainable tourism sector, which may lead to improved economic growth for Rwanda. Even though it has often been argued that individual benefits in tourism are marginal due to economic leakages (Ashley et al., 2006), one should be reminded that Rwanda, as a country, does not have that many alternative industries (Nkurayija, 2011). This justifies the important role tourism entrepreneurs in Rwanda and tourism entrepreneurial activities play in economic growth, owing to its recent performance and its leading role in generating more income and employment opportunities (WTTC, Rwanda Economic Impact, 2014).

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5 Revenue projections from 2010/2011 Budget Speech, Minister of Finance and Economic Planning; Tourism Sectoral Strategy (2007); and OTF analysis and extrapolation, based on revised revenue figures for 2009. Tourism export revenue projections depend on appropriate investments in the sector, as itemized in its sectoral strategy.
6 2010/2011 Budget Speech (p. 5), Minister of Finance and Economic Planning and sectoral strategies.
1.2.2 The role of entrepreneurialism in tourism development of Rwanda

The story of entrepreneurialism in tourism in Rwanda over the past decade is partly linked to and explained by the remarkable development of the tourism sector. Tourism has been and remains a critical source of income and employment in Rwanda. As a dominant sector of the national economy, it has become a dynamic driver of growth in Rwanda in recent years. The tourism sector holds great promise, though its full potential has yet to be exploited. For this growth to remain sustained, the researcher assumes that there is a crucial need for enhanced entrepreneurialism to generate more quality and quantity of entrepreneurs to propel economic growth, since they are the catalysts that come up with innovative ideas that spark economic activities. This would encompass a combination of factors of production by capital formation, creating employment opportunities, and wealth distribution that can facilitate development and growth. Acknowledging the influence of entrepreneurialism in tourism and economic growth, the word “entrepreneurship” is used here to mean innovatory processes involved in the creation of an economic enterprise based on a new product or service, while an “entrepreneur” is understood as someone who exploits the opportunities in the market based on knowledge and alertness to these opportunities, heightened by access to information, which enables him/her to pursue more creative ventures or provide more innovative solutions to fill gaps in the market. This understanding embraces the definition of entrepreneurship by Wenneker and Thurik (1999: 46-47), who characterize entrepreneurship as “...the manifest ability and willingness of individuals, on their own, in teams within and outside existing organizations, to perceive and create new economic opportunities (new products, new production methods, new organizational schemes and new product-market combinations) and to introduce their ideas in the market, in the face of uncertainty and other obstacles, by making decisions on location, form and the use of resources and institutions.” In this view, it is worth noting that entrepreneurship has to do with the activities of individual persons, and therefore linking entrepreneurship to economic growth means linking to the individual level, relevant at all levels of firms, industries, nations, and regions. The first link between entrepreneurship and economic growth dates from Schumpeter’s (1934) notion of creative destruction, where new innovations by entrepreneurs destroy older markets and fuel new growth. Since then, researchers consistently link entrepreneurship to economic outcomes: Acs and Audretsch (2005) on entrepreneurship and innovation; Carree and Thurik (2003) on entrepreneurship and economic growth from a macroeconomic perspective; Caves (1998), focusing on firm entry, exit, and turnover,
1.2 Contextual background for the research

as well as firm growth and production efficiency; and finally Van Praag and Versloot (2007) on the importance of entrepreneurship and its associated economic value. Caree and Thurik (2000) assert that policy, which fosters entrepreneurship, relies on the individual level: the attitudes, skills, and actions of individual entrepreneurs. This is an indication for me that policies aimed at stimulating entrepreneurial capacity and attitudes in Rwanda should not focus solely on macroeconomic conditions or access to financing, the most frequently used policy tools to promote entrepreneurship (OECD, 1998:9), but equally on entrepreneurs’ characteristics through enhanced education and training, as a formal processes of equipping the entrepreneur with the necessary insights, confidence, and skills. The argument at hand is that, even though policies are important for broadening the number of and bases for individuals with the incentive to start up a business in tourism and with access to the necessary means, these policies alone cannot suffice; rather, as stated by Wennekers and Thurik (1999), the founding and development of firms depend to a large extent on the entrepreneurial qualities of the individual entrepreneur. To this end, many researchers, such as Storey (1994), Carree and Thurik (2003), Parker (2004), Van Stel and colleagues (2005), and Ogundele (2012), recognize individuals as the primary agents of entrepreneurial activity, a vital source of innovation, employment, and economic growth. Since the origin of any innovation, start-up, or entrepreneurial decision is traceable to an individual person, one of the approaches to fostering entrepreneurship is to strengthen the entrepreneurial skills of individuals and their associated motivational aspects (Wennekers & Thurik, 1999). It is on the basis of this view of entrepreneurs as agents of change in the entrepreneurial process and on entrepreneurialism in tourism vis-à-vis economic growth in Rwanda, with reference to suggestions for policy formulation, that this thesis is both justified and supported. The analysis of the entrepreneurial skills that Rwandan tourism entrepreneurs may possess, could add value to the tourism industry, and shed light on what policy-makers and individual entrepreneurs, innovators, and influencers in the business community at large could do to shape favorable policies, and expand or start new business in Rwanda, especially in the tourism sector.

With its focus on entrepreneurialism in tourism and the economic growth of Rwanda, this study aims not only to contribute to the understanding and calming down of the debate on whether policy-makers should focus on improving macroeconomic conditions or on fostering individual entrepreneurs to boost tourism entrepreneurship but also to shed more light on theoretical, policy, and practical considerations that lead to the understanding of factors affecting tourism entrepreneurship development in Rwanda. In this regard, entrepreneurship and innovation in the tourism sector are not only consid-
ered a necessity and a major concern for Rwanda but also for many developing countries in their search for increased tourism products that could lead to revenue diversification. It is believed that tourism's economic benefits in Rwanda could be increased by SMEs, owing to their ability to support and link services and manufacturing with small locally owned firms in order to create profitable linkages as multinational tourism firms do (Ball, 2005). This may proceed in tandem with increasing awareness of tourism's role as an avenue for economic growth. To this extent, I have reviewed the existing literature on tourism entrepreneurship in order to get more insight into the concept of tourism entrepreneurship and into how the latter contributes to economic growth in general, and particularly in the context of Rwanda, by assessing the contribution of entrepreneurs and policy-makers in the tourism sector, and seeing whether they could strategize together to take advantage of tourism's benefits and growth, and exploit tourism's potential and associated opportunities. As stated previously, this may be brought about by nurturing and increasing the quantity and quality of entrepreneurs in the sector, while broadening and crafting favorable policies that can cater for individual tourism entrepreneur's capacity and behavior, and by shaping macroeconomic conditions that will lead to increased economic yields.

1.2.3 The contribution of the tourism sector to the national economy: Challenges for policy formulation

In Rwanda, tourism has been identified as a priority sector and a key driver for achieving Rwanda's development goals as set out in Vision 2020 and associated implementation policy documents (Government of Rwanda, Tourism Policy, 2009:1; Sustainable Tourism Master Plan, 2009: 1). These documents stipulate that tourism is one of the major backbones contributing to the national economy. Statistics from the Rwanda Development Board indicate that tourism revenues significantly increased between 2007 and 2014, from USD 138 million to USD 303 million. Tourism is intended to be used as a vehicle to provide employment and foster greater business opportunities. The Rwanda Tourism Policy specifies that the contribution of the sector to direct investment totaled approximately USD 700 million from 2000 to 2009. The sector created 174,500 jobs in 2014 (WTTC, Rwanda Tourism Economic Impact, 2014). Through the second “Economic Development and Poverty Reduction Strategy” (EDPRS2), adopted by the government of Rwanda in 2013, to run from 2013 to 2018, the country aims to target at least 200,000 new jobs annually. These figures indicate the pivotal role of the tourism industry in the Rwandan economy. In line with this, it appears that the main reason to sustain and promote tourism entrepreneurship is the expected economic
growth and stimulus for local entrepreneurs to invest in this leading sector in terms of foreign earner income and job creation. However, the question that arises is the capacity to develop a favorable tourism business environment and to formulate appropriate policies that support entrepreneurial process, develop the necessary skills, attitudes, and behaviors of current, potential, and nascent entrepreneurs in order to increase their quality and quantity, while preparing and supporting them in pursuing tourism business opportunities for economic growth. As stated by Louw and colleagues (2003), economic development and wealth creation are both driven by entrepreneurship. In this endeavor, the government of Rwanda and local entrepreneurs may play a role in sensitizing people to espouse entrepreneurial activities and to tackle obstacles to tourism entrepreneurship development. Nabi and Holden (2008) contend that government policy in many countries is seeking to promote self/small business employment as a viable career option in the labor market. Even though the World Bank has consistently ranked Rwanda as one of the world’s leading pro-business reformers in recent years, the country is still among the world’s impoverished nations, with per capita GDP standing at about USD 1,155 (BREC, 2011). According to the same report, the economy is largely supported by the agriculture sector, which accounts for roughly 41% of GDP and employs 83% of the population, with tea, coffee, and mining as the country’s primary exports (NISR, 2012). Given that the major aspiration of Vision 2020 is to transform Rwanda’s economy into a middle-income country in line with levels of middle-income economies, and considering that this cannot be achieved through government actions and donor funds alone, it is imperative that productive entrepreneurship be fostered to perform its role of creating wealth, employment, and vital innovations through opportunities for profit, as spelled out in one of the six pillars of Vision 2020 formulated as follows: “Development of an efficient private sector spearheaded by competitiveness and entrepreneurship” (Government of Rwanda, 2000:3). Today, Rwanda’s recent growth has shown an increased income per capita to around USD 644 in 2012 from USD 502 in 2008, an effect for which entrepreneurship seems to be a catalyst (MINECOFIN, 2012). In this endeavor, the development of human capital is critical for national development, especially for Rwanda with limited land and no access to the sea. The government’s move to steer the nation towards a knowledge-based economy is a clear support for entrepreneurial initiatives.

The development of the tourism sector, as one of the fastest developing sectors in Rwanda, is, therefore, paramount, since it can contribute a lot to the economic growth of Rwanda through the attraction of local and foreign investments and tourists, leading to the creation of job opportunities and generation of more income. Despite the fact that the country’s tourism in-
1 Introduction to and background for the research

dustry faced a devastating slump during and directly after the 1994 Gen-
ocide, as shown by figure 15, there is currently a determined effort by the Rwandan government – along with positive trends in rebuilding what was lost and going far beyond that – by addressing the inhibitors of tourism entrepreneurship development. Trends are leading to the development of a strong national tourism sector, considering arrivals and revenues registered in the past seven years and forecasts as shown in table 2 below, in addition to the investment outlay portrayed in the sector for the last decade.

Table 2
Actual tourism figures (2007-2013) and forecasts for 2020 (in 000 US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues (Actual)</th>
<th>Number of arrivals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$138,000</td>
<td>826,000</td>
</tr>
<tr>
<td>2008</td>
<td>$186,000</td>
<td>980,577</td>
</tr>
<tr>
<td>2009</td>
<td>$174,000</td>
<td>689,952</td>
</tr>
<tr>
<td>2010</td>
<td>$200,000</td>
<td>666,000</td>
</tr>
<tr>
<td>2011</td>
<td>$251,300</td>
<td>908,009</td>
</tr>
<tr>
<td>2012</td>
<td>$281,600</td>
<td>1,089,000</td>
</tr>
<tr>
<td>2013</td>
<td>$293,600</td>
<td>1,137,000</td>
</tr>
<tr>
<td>2020</td>
<td>$627,000</td>
<td>2,219,000</td>
</tr>
</tbody>
</table>

Source: Own compilation based on RDB statistics and projections (2007-2020).

Since 2007, table 2 and figure 4 above show a steady increase in terms of revenues and tourists arrivals. This is an indication of the commitment of the country to tourism development and income generation. Actual figures for tourism revenue for the period of 2007 to 2013, as well as future prospects for tourism as presented in table 2, make up almost as much as the entire export base from USD 138 million in 2007 to USD 293 million for official exports. This justifies the importance of the tourism industry for Rwanda’s macroeconomic stability and prospects of economic growth. However, on closer look
at the above figures, Rwanda's success in boosting tourists' arrivals has not led to a proportional increase in its total receipts from tourists. The reason behind this impediment in the generation of proportional tourism revenues in comparison to the growth of arrivals may be related to limited spending opportunities for visitors and the short stay of tourists in Rwanda due to lack of diversification and innovation across tourism products.

Table 3
Domestic and foreign investments in Rwanda (2008-2012)

<table>
<thead>
<tr>
<th>Type of Investments/Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign direct investments</td>
<td>103</td>
<td>119</td>
<td>42</td>
<td>106</td>
<td>160</td>
</tr>
<tr>
<td>Domestic private investments</td>
<td>617</td>
<td>651</td>
<td>607</td>
<td>567</td>
<td>686</td>
</tr>
<tr>
<td>Domestic public investments</td>
<td>490</td>
<td>520</td>
<td>613</td>
<td>808</td>
<td>876</td>
</tr>
<tr>
<td>Gross investments</td>
<td>1,210</td>
<td>1,290</td>
<td>1,262</td>
<td>1,481</td>
<td>1,722</td>
</tr>
</tbody>
</table>


Table 3 also shows a steady increase in terms of foreign direct investments (FDI), and domestic and public investments for the last five years. This is an indication of the high level of political and economic stability in Rwanda since 1994, which has motivated local and foreign investors to develop their businesses in tourism-related projects, particularly in the hotel sector. The investors have started to believe that the political situation has begun to look promising enough to ensure confidence. As seen from table 3 above, gross investment in the economy averaged 22.5% of GDP from 2008 to 2012, just short of the EDPRS 1 target for 2012 of 24.4% (MINECOFIN, 2012). From table 3 above, the high levels of gross investment were achieved through a scaling up of public investment. For instance, in 2012, out of a gross investment of USD 1,722 million in the economy, USD 876 million was public investment and USD 686 million was domestic private investment, while USD 160 million was foreign direct investment.
The increase in investments shows that the government has created an enabling environment where the full participation of public, private, and foreign investors is now a trend and has ultimately translated into huge investments in the tourism sector. Figure 5 above reveals Rwanda's investment accounts for a significant portion of foreign revenue. Between 2000 and 2012, 20% of foreign direct investment (FDI) went into hotels and the leisure sector, commensurate with the tourism industry. This contribution of the sector to investment demonstrates the important role the tourism industry is currently playing in the Rwandan economy. However, this trend needs to be sustained by a favorable investment climate including stability, peace, and security in the country, as a foundation for growing investment and trade (GoR, Ministry of Finance and Economic Planning, 2007).

The continuing reforms in the “doing business environment” have laid the foundations for Rwanda to develop into a top investment and trade destination within Africa and to reinforce this opportunity, while continuing to identify, prioritize, and strengthen viable export sectors.

Since Rwanda is a member of regional communities like the East African Community (EAC), Common Market for East and Southern Africa (COMESA), and Communauté Economique des Pays des Grands Lacs (CEPGL), a host of markets and opportunities are open if Rwanda invests in the right infrastructure for increased connectivity (GoR, Ministry of Finance and Economic Planning, 2007). The Kigali Convention Center and the Kivu Belt Tourism Master Plan that were launched in June 2014 are expected to significantly contribute to a diversification of Rwanda’s tourism offering. The Kigali Convention Center, with world-class conference facilities, will host regional and international conferences that will stimulate the MICE (meeting, incen-

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7 Countries of the Great Lakes.
tives, conferences/events, and exhibitions) tourism segment, as part of diversification in the tourism strategy. Furthermore, the construction and opening of hotels of international repute, such as Marriott, Radisson (expected to start at the beginning of 2016),\(^8\) and Sheraton, which are set to put in place 5-star facilities, are expected to add value to the tourism sector; consequently, this is a sign that the GDP of the country will continue to grow, said Ms. Rica Rwigamba\(^9\) on July 19, 2014, in the New Times, Rwanda’s leading English daily.

Table 4
GDP Growth Rates 2008-2012

<table>
<thead>
<tr>
<th>GDP Growth</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>Annual average growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP USD millions, constant 2010 prices</td>
<td>4,938</td>
<td>5,246</td>
<td>5,625</td>
<td>6,089</td>
<td>6,573</td>
<td></td>
</tr>
<tr>
<td>GDP per capita, USD millions, constant 2010 prices</td>
<td>502</td>
<td>519</td>
<td>540</td>
<td>568</td>
<td>644</td>
<td></td>
</tr>
<tr>
<td>Real Gross Domestic Product (GDP)</td>
<td>11.2%</td>
<td>6.2%</td>
<td>7.2%</td>
<td>8.3%</td>
<td>8%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Real GDP per capita</td>
<td>8.1%</td>
<td>3.2%</td>
<td>4.2%</td>
<td>5.2%</td>
<td>4.9%</td>
<td>5.1%</td>
</tr>
</tbody>
</table>


Table 4 above shows that real GDP growth averaged 8.2% annually, which translated into GDP per capita growth of 5.1% per year. The economy experienced a short period of slowdown due to the global financial crisis in 2008-2009, when GDP growth fell to 6.2% in 2009. However, growth recovered during 2010-2012, allowing significant real increases in per capita incomes (MINECOFIN, 2012). This shows that Rwanda has been shielded from the worst effects of the global downturn, probably because of its relatively low level of integration with the worst affected western economies, and its fiscal stimulus policies implemented in 2009 and 2010. Overall, the economy proved resilient to the global financial crisis in 2009, helped by a rebound in commodity prices for its exports. Economic growth has derived from sustained growth across all sectors of the economy, but services, spearheaded by the mining and energy sectors, the tourism sector, and telecommunication-

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\(^9\) Rica Rwigamba was the former Head of Tourism and Conservation at RDB up to February 2015.
tions, have been the main drivers of this growth as shown by figure 5. The main expansion areas were mining and energy, construction and real estate, tourism, and telecommunications, with increased mobile phone and Internet use, wholesale and retail trade, and transport. Expansion of services accounted for just over half of total GDP growth (53%) during the above period. The industrial sector grew at an average rate of 9.8% per year during the period between 2008-2012, driven by a rapid expansion of construction that grew at 15% annually. Investment flows for construction from the Rwandan diaspora have been an important contributor. This rapid growth was achieved despite the sector, particularly construction, being hard hit by the global downturn in 2009. Agriculture grew at 5.4%, sustained by higher than expected expansion in food production, thanks mainly to scaled-up public investments such as the crop-intensification program (CIP). The agriculture sector contributed 32.7% of GDP and 28% of total growth (MINECOFIN, 2012; EDPRS2 (2013-2018:22), Shaping Rwanda’s Future).

1.2.4 **Economic Development Model for Rwanda**

More than two decades after the 1994 Genocide, Rwanda has embraced a new model of economic development. It has developed a new strategy related to building a global network of powerful friends to lure private investment, bring structural macroeconomic reforms, and market Rwanda to the rest of the world. The newness of this model consists of bypassing the traditional economic model, and doing this through relationships with a global network of business leaders and well-placed friends to lure private investment to Rwanda. This model was launched in September 2007, through what was termed as “the Presidential Advisory Council” and has become a high-level, low-profile dispatch team and brain trust. Among all 16 members, only 10 are non-Rwandans, but are stars in their sectors, from life sciences to telecoms to economic-development consulting. They meet twice yearly, once in Kigali and once in New York, for strategy sessions.

This strategy has worked well and has helped Rwanda to lure more tourists and attract foreign investments to Rwanda over the last decade. To this end, international brand hotels, such as Dubai Company, which built an eco-lodge in Nyungwe Forest, Marriott Hotels, and Radisson Blue hotels, etc., and international telecommunication companies such as MTN, TIGO, and AIRTEL have invested millions in Rwanda. In addition, after the visit of Rwandan President Paul Kagame to Costco CEO, Mr. Sinegal, and to Starbucks CEO, Mr. Howard Schultz, at their respective headquarters in New York six years ago, they began buying Rwandan coffee beans, and, according to Chu (2009), 50% of Rwanda’s coffee is bought by Costco and Starbucks.
According to the same author, Mr. Sinegal; former British Prime Minister Tony Blair, who established a program to send civil servants from Whitehall to work in President Kagame’s office; RealNetworks CEO Rob Glaser; Google CEO Eric Schmidt; Pastor Rick Warren; Monitor Group cofounder Michael Porter; Aslan Global founder Kaia Miller; OTF Group cofounder Michael Fairbanks; Arkansas investment banker Dale Dawson, who created a scholarship for Rwandans to study in the United States; and Joe Ritchie, Cooper’s partner in Fox River, are part of Rwanda’s ever-expanding network of influential supporters of Rwanda’s goals. Rwanda’s strategy relies on wealthy and well-placed and powerful friends to lure private investment and to train a new generation of managers, to build a globally competitive economy, and to wean the country off foreign aid. Rwanda could effectively bypass the traditional development model, which tends to care less about a ruler’s governing policies, and pursue a new model of economic development through developing direct networks and personal relationships with business leaders.

Based on the above-mentioned economic development model, Rwanda has made strides in achieving several Millennium Development Goals (MDGs) and has shown some strength in macroeconomic management, while continuing to make progress with structural reforms, which have elevated it to among the top reforming economies in Africa in the World Bank’s “Ease of Doing Business Survey” for the last five years. It has come a long way in developing sector strategies and upgrading the regulatory framework for the development of specific sectors; it has pursued a liberal approach in terms of investment attraction and trade liberalization in different sectors. Rwanda could complement existing strategies with the development of an entrepreneurship policy and trade, with a view of boosting GDP, finding paying jobs for half of Rwanda’s subsistence farmers, nearly quadrupling per capita income to USD 900, and turning the country into an African hub for technology, all by 2020. The government is doing what it can. It has, for instance, committed to investing annually 5% of its GDP in science and technology since 2012; however, to reach those goals, it needs outside assistance (EDPRS II, 2013-2018). New areas still need to experience progress: A large informal sector, poor skills, weak entrepreneurship, weak infrastructure and limited innovation potential, bureaucratic red tape, and low domestic savings all stand out as main challenges the country faces.

The unpaid business team, mentioned above, continues to market the brand called “Rwanda,” and ensures the overall development of services exports and a coherent approach encompassing policymaking in different spheres in order to streamline its bureaucracy with an innovative approach to developing its economy. Continued full and permanent cooperation from ministries and authorities, involving policymaking and implementation of
policies related to the tourism business, is also important in this regard. The strides made by Rwanda in the last decade may be attributed to several key policies and stimuli from the government that have contributed to building prudent and stable macroeconomic and market-oriented policies, which have sustained business confidence. Regulatory frameworks have been improved and enforced, thereby facilitating business activity and providing more transparency in government-private sector interactions. A strong anti-corruption stance has simplified and reduced the cost of business transactions; high levels of consumption and public investment, supported by international aid, have fuelled economic activity. It is on this basis that, in the World Bank’s “Doing Business Report” for 2013, Rwanda has progressed from 58th to 32nd position in the “ease of doing business” rankings worldwide. This performance has made Rwanda the second most reformed economy in the world over the past six years and the second easiest for doing business in Africa, as well as being the first in the East African Community (World Bank, Doing Business Report, 2013).

Despite this positive outlook, Rwanda remains a poor rural country with about 83% of the population engaged in (mainly subsistence) agriculture, and some mineral and agro-processing (NISR, 2012). Tourism, minerals, tea, and coffee are Rwanda’s main sources of foreign exchange. Rwanda has made substantial progress in stabilizing and rehabilitating its economy since the 1994 Genocide that took the lives of more than one million of its population and decimated Rwanda’s fragile economic base. It severely impoverished the population, and temporarily stalled the country’s ability to attract private and external investment (CIA-World Fact Book, 2012). However, for the last decade, as shown above in table 3, GDP has rebounded with an average annual growth of 7-8% since 2003, targeting to reach a sustained average GDP growth of 11.5% (EDPRS 2, 2013-2018:11). In recognition of Rwanda’s successful management of its macro economy and “ease of doing business,” in 2010, the IMF graduated Rwanda to a Policy Support Instrument (PSI), in addition to a Millennium Challenge Threshold Program received in 2008. Rwanda is also known as one of the Africa’s most densely populated countries, and is trying to overcome the limitations of its small, landlocked economy by leveraging regional trade and diversifying its economic base. Rwanda

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11 Ibid.
12 Ibidem.
joined the East African Community on July 1, 2009, and aligned its budget, trade, and immigration policies with its regional partners. As part of its economic development model, the government of Rwanda also embraced an expansionary fiscal policy to reduce poverty by improving education and, in particular, entrepreneurship education, infrastructure, foreign and domestic investment, and by pursuing market-oriented reforms. Energy shortages, instability in neighboring states, and the lack of adequate transportation linkages to other countries continue to handicap private-sector growth.

The Rwandan government is seeking to become a regional leader in information and communication technologies. In 2010, Rwanda started setting up the first modern Special Economic Zone (SEZ) in Kigali, and it is near completion as of today. The SEZ seeks to attract investments in all sectors, but specifically in agribusiness, information and communications technologies, trade and logistics, mining, and construction. The global downturn has hurt the export and tourism sectors, but economic growth is recovering, driven in large part by the services sector, led by mining and energy, the tourism industry, and telecommunications, as can be seen in figure 5. On the back of this growth, the government is gradually ending its fiscal stimulus policy, while protecting aid to the poor. In 2011, rises in global food and fuel prices increased inflation in Rwanda from 1% in January to more than 7% in October 2011, but it has been contained at single digits, while its counterpart countries in East Africa experienced double-digit inflation in 2012.

Despite these tremendous efforts aimed at building sustainable economic growth, the government of Rwanda has realized that the balance of trade is characterized by a persistent deficit of exports compared to imports. According to Bush and Fawcett (2010), this deficit is explained by a number of factors, including energy shortages and related high costs, the low level of industrialization, and the lack of significant export diversification, along with low productivity in the private sector. The level of Rwandan exports remains low, covering only 48% of imports in 2010, compared to 23% in 2008 (Bush & Fawcett, 2010). This shows the strong trade performance, with exports growing at an average of 12.5% a year, since 2001. Besides private sector mobilization, an important driver of export growth has been the restructuring

of front agencies such as RIEPA (Rwanda Investment and Export Promotion Agency) and subsequently the Rwanda Development Board (RDB).

From what precedes, one could say that a lot needs to be done for Rwanda to reduce imbalances in the trade account, and make informed choices in a timely fashion so as to increase export industries and foster a broad economic reform agenda with ambitious targets for economic growth. This is in line with Rwanda’s long-term strategy spelled out in the vision of reaching the status of a middle-income country, growing to a per capita income of USD 1,240 by 2020 from USD 502 in 2008, based on a rapid transition from subsistence farming to higher value-added agriculture and non-farm activities, which requires an annual growth rate of at least 8.1% from 2012 (NES, 2012). Achieving this target also requires growth in a variety of sectors, where Rwanda has an advantage. In order to address the trade deficit as well as Rwanda’s growth targets, a clear development strategy for the tourism sector was designed in 2013 in a five-year strategic action plan of the Rwanda Development Board (2013-2018). Tourism, as one of the service sectors with greatest potential for growth in Rwanda, has seen good performance over the past few years, with its contribution to national economic growth increasing over time (see table 2). A well-focused tourism policy, with expected increase in revenues and arrivals up to 2,219,000 in 2020, could increase these figures even further, contributing to greater public revenues, boosting the current account of the balance of payments and contributing to the economic growth of Rwanda (Government of Rwanda, National Export Strategy, 2012).

According to UNWTO-STMP (2009: 9), and tourism-promoting brochures and websites reviewed, Rwanda is reputed to be the cleanest country in Africa, and is endowed with many attractive beaches, lakes, mountains, and a rich wildlife reserve, which enhances its attractiveness as an African destination. The country has a favorable temperate climate, improved lodging facilities, a rich cultural heritage of arts and crafts, and, most importantly, welcoming people. Rwanda has three national parks, various national museums, eco-tourism, and scope for many tourist activities like biking, trekking, mountain biking, and a growing number of shopping facilities. According to Sabuhoro (2009), the Rwandan tourism industry is booming, and more and more tourists are ready to explore this comparatively quiet and peaceful country on the African continent. Despite these tourism potentials and a generally optimistic outlook as to the continued growth of tourism in Rwanda, with subsequent economic growth, there are still several factors that hinder the development of a strong and competitive tourism industry. Therefore, this study aims to assess the current state of tourism and find out

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whether there is an emergence of entrepreneurs with embedded entrepreneurial skills, and related behavior and orientation to drive, in a sustainable manner, the entrepreneurial opportunities available in this sector. A related question is whether policy-makers can spearhead tourism planning and development, and related macroeconomic conditions that could increase the stock and competencies of entrepreneurs through a collective action and dialogue by various stakeholders in different destination management areas. This background, coupled with my personal involvement as vice-chancellor of the University of Tourism, Technology, and Business Studies in Rwanda (UTB, former RTUC), and executive member of the Chamber of Tourism, and chairman of the Rwanda Hospitality and Tourism Training Educators Association (RHTEA), stimulated me to undertake this research to find out what contribution tourism entrepreneurial opportunities, and the role of entrepreneurs and policy-makers can have on the economic growth of Rwanda. One could view my credentials as a bias, but my position has helped me to access scant data available on tourism and talk to key informants in the tourism sector in order to make sense of the overall picture of the tourism sector in Rwanda. As stated by Pearce (2001), tourism is a synergy of activities and various forms of partnership with the private sector in a bid to address the developmental opportunities. This implies also that entrepreneurs in the tourism sector, potential and nascent entrepreneurs, can take advantage of the emergence of this niche market and join hands for the betterment of the tourism sector that the country rightly expects. It is in this context that this research will focus on entrepreneurs operating in the Kigali Hub, Rwanda’s capital; Volcano and Rubavu Development Management Areas (DMAs), located, respectively, in the Northern and Western provinces (as referenced in figure 3); and on the policy-makers in Ministry of Trade and Industry, as well as on employees working at the Rwanda Development Board, and district authorities in charge of tourism and conservation activities, in the chosen areas of study.

In order to understand and develop insights into the phenomena under study, the researcher has followed a qualitative interpretive approach framed by an acknowledgement of the philosophy that knowledge is socially constructed, and that there can indeed be multiple perspectives on a single subject (Creswell, 2013). Qualitative research methods were therefore deemed appropriate to allow for formalization with the subjects, and the views of the respondents and interviewees (Berg et al., 2001). In line with this descriptive approach, a questionnaire was also developed, which paved the way to semi-structured interviews that were addressed to entrepreneurs and or employees at the level of supervision in the tourism industry, and policy-makers from the three above-mentioned tourism development management areas in Rwanda.
1.3 **Problem statement**

Researchers such as Shuttleworth (2008:1) and Ellis (2008:2) have claimed that the definition of a research problem is the fuel that drives the scientific process that adds meaningfulness to a study and constitutes the foundation of any research method. This study presents the research problem as leading to the exploration of entrepreneurialism in tourism and economic growth in Rwanda, with a special focus on three tourism development management areas of Kigali Hub Development Management Area, Musanze Volcanoes Development Management Area, and Rubavu Development Management Area, located, respectively, in Central Rwanda, and the Northern and Western provinces (see figure 3), chosen to represent the whole country’s tourism sector, since they comprise more than 90% of total revenues generated from tourism activities in Rwanda (UNWTO-STMP, 2009:65).

In Rwanda, the 2008 Private Sector Federation (PSF) Needs Assessment of SMEs, which surveyed 2100 SMEs, indicated that lack of many entrepreneurial activities is a major challenge for SMEs in terms of supporting potential growth (PSF/GTZ Study, 2008: 17). A lack of appropriate skills and entrepreneurship policy to shape the overall macroeconomic environment so that it can cater to the ever-changing tourism business, in line with the tourism consumer’s behavior, remains a serious threat for the development of tourism. Rwanda’s services provision remains suboptimal and is delivered at a high cost. Various policy disconnects prevail and may seriously impede Rwanda’s capacity to fully capitalize on the potential of its tourism sector. These are serious constraints that need more comprehensive and holistic approaches for enhancing the entrepreneurial skills and competencies of potential, nascent, and current entrepreneurs and policy-makers. They may be construed as thoughtful, skilled engagement in the process of opportunity recognition. Development of appropriate policies and skills within the context of a conducive, entrepreneurial environment could well trigger an effective set of positive entrepreneurial thinking and behaviors. Given the severity of the shortage of skills, especially at the professional and supervisory levels (MIFOTRA-Audit Skills, 2009), it is not surprising that the quality of service is such a major issue in Rwanda, and one that may affect the competitiveness of and hinder future growth in the tourism sector. Audretsch and Kielbach, (2005: 605), and Todaro and Smith (2010: 130) state that increased knowledge vis-à-vis entrepreneurship and pro-market government policies may help to overcome such constraints. Carree and Thurik (2002) pinpoint that countries that have shifted towards a greater role for entrepreneurship enjoy stronger growth; this is among the major concerns for the Government of Rwanda (Tourism Policy, 2010: 4). Rwanda is endowed with attrac-
tive and potential natural assets; it is capable of attracting interest within the country and from abroad through development of an entrepreneurship policy that can sharpen the appropriate skills and cater to the different needs and tastes of tourist visitors, who can be a source of increased income and subsequent greater economic growth. But the question here is the capacity of the supply side to meet the interest of the demand side. As emphasized by Baum and colleagues (2007), and Chell (2008), not only are putting in place government policies to sustain entrepreneurs’ skills and their psychological aspects key elements of entrepreneurship theory and processes but fostering tourism entrepreneurship may also play a vital role in the development of a strong tourism sector. Supportive conditions for entrepreneurship may play a key role in enabling people to develop appropriate skills and abilities, behaviors, attitudes, and to make the right decisions in order to grasp the opportunities available in the tourism sector in Rwanda. Based on the early stage of entrepreneurship development in Rwanda (SMEs Policy, 2010: 17), one might wonder if Rwandans are even aware of the entrepreneurial opportunities available in the tourism sector and or if they see these opportunities as engines for the economic growth of the country. Given the short history of business and the absence of successful business role models, fostering tourism entrepreneurship in Rwanda and stimulating the local population to tap into the available entrepreneurial opportunities in the tourism sector, while attracting investment to start businesses, may contribute to a substantial positive impact and propel economic growth. This context gives rise to and calls for the exploration of the current level of tourism entrepreneurship, and the available skills and competencies, in order to enhance skills development for those already in the business, those potential and nascent entrepreneurs who display entrepreneurial motivation, desire, and energy to become not only entrepreneurs but also contributors to economic growth. This could also direct many businesses towards this important fast-growing industry, and could help the Rwandan economy in general to flourish and alleviate poverty for many people. This research is also motivated by the lack of systematic available data on whatever entrepreneurship in tourism sector does exist in Rwanda, and by an interest in tackling the challenges affecting entrepreneurialism in tourism. What little and scant information on tourism statistics is available in Rwanda in this regard, and which could serve to orientate decision-makers, is rather sketchy and far from systematic. As such, this thesis is a serious attempt at drawing comprehensive plans for the development of tourism entrepreneurship in this area of academic as well as policy interest, in which no empirical research work has so far been done, especially in terms of entrepreneurial opportunities existing in the Rwandan tourism sector, considered to be an engine for economic growth in Rwanda.
The problem that forms the basis for this thesis can be summarized as follows. The tourism sector is a critical source of income and employment in Rwanda. As the most dominant sector in the Rwandan economy, it has become a dynamic driver of national economic growth in recent years. However, this dynamism could be greater if entrepreneurs together with policy-makers could craft appropriate strategies and policies that can influence, attract, and intensify experiences of tourists through the provision of expected and accepted quality services. Rwandan service provision remains suboptimal and is delivered at high cost, compared to its counterparts in the region, making the tourism sector less competitive. Various regulatory and policy shortcomings prevail, which explain these inefficiencies and impede Rwanda’s capacity to fully capitalize on the potential of its tourism sector, which may play an enhanced role in the economic growth process.

1.4 Objectives of the research

The thrust of this research is to:
1. Evaluate the current state of entrepreneurial opportunities in tourism and Rwanda’s strategy for boosting its economy;
2. Assess factors affecting entrepreneurialism in Rwanda and the role of policy-makers in tourism entrepreneurship development;
3. Identify the entrepreneurial skills and competencies that Rwandan entrepreneurs need in the tourism sector to drive and elevate income generation, and propel subsequent economic growth;
4. Discover which important policy measures could be put in place to increase the quantity and quality of entrepreneurs vis-à-vis the advancement of tourism development and economic growth.

1.5 Research question and sub-questions

This study is built around a central question, which is broken down into four more specific questions that facilitate the assessment of factors affecting tourism entrepreneurship development in Rwanda, of policy measures, and of practical considerations that could be put in place to boost tourism entrepreneurship as an avenue for overall economic growth. The main research question is formulated as follows:

“What are the factors affecting tourism entrepreneurship development in Rwanda, and what, in the view of entrepreneurs and policy-makers, are the
policy measures and practical considerations entrepreneurs and policy-makers could put in place to boost entrepreneurship in tourism and propel subsequent economic growth?”

The sub-questions that guide this research are the following:

1. What is the current state of entrepreneurial opportunities in tourism in Rwanda, and to what extent are those opportunities being exploited by entrepreneurs as a strategy for economic growth?

2. What are the factors affecting tourism entrepreneurship development in Rwanda, and what is the extent of the influence of policy-makers and entrepreneurs in stimulating tourism entrepreneurship and subsequent economic growth?

3. What are the entrepreneurial skills and competencies that Rwandan tourism entrepreneurs need to drive and uplift income generation and subsequent economic growth?

4. What are important policy measures and practical considerations entrepreneurs and policy-makers could put in place in order to increase the number and quality of entrepreneurs that could contribute to the advancement of tourism development and economic growth?

1.6 Delimitations of the study areas

Figure 6
Geographical location of Kigali City, and Musanze and Rubavu Districts

The study areas are composed of the Kigali Hub, which groups the three districts forming Kigali City (Gasabo District, Kicukiro District, and Nyarugenge District), Volcanoes DMA (located in the Musanze District), and Rubavu DMA (located in the Rubavu District). They were chosen because of being less poor than the other 30 districts of Rwanda (NISR, EICV3 Districts Profile, 2012: 6) and are considered as major contributors to the economic, cultural, and tourism development of the country. Furthermore, they are predominantly characterized by tourism activity and represent more than 90% of total revenues from tourism. They have been deemed relevant to the study in that their findings may present a picture of the whole tourism situation and what could be done in terms of entrepreneurialism in tourism in Rwanda vis-à-vis the economic growth of Rwanda. Given that not much academic research has been written about Rwanda, other than some meager literature, much of the information on the three DMAs has been obtained from websites and local newspapers.

a Kigali City Hub

The first study area is Kigali City Hub. Kigali is the capital and largest city in Rwanda, situated in the center of the country (see its location on figure 6). According to NISR (2012), Kigali is an important economic, cultural, and transport hub for Rwanda and has a population of approximately 1.2 million people. The city is built in hilly country, sprawling across ridges and the valleys in between. The highest of the four ridges is Mt. Kigali, with an elevation of 1,850 m (6,075 ft.), while the valleys are around 1,300 m (4,270 ft.) above sea level. The city center is located on one of these ridges, with the main government area on the other. According to UNWTO-Sustainable Tourism Master Plan for Rwanda (2009: 9), Kigali is an unexpectedly positive hub for visitors because of its cleanliness and new buildings. Its temperate climate, and safety and security continue to enhance its attractiveness as a destination. The banning of all plastic bags in the country is an indication of the Government’s concern for the environment.

Historically, Kigali was founded in 1907 under German colonial rule (1890 to 1916), but did not become the capital until Rwandan independence from Belgian colonization (1916-1962) in 1962. The traditional capital was the seat of the Mwami (King) in Nyanza, while the colonial seat of power was in Butare, then known as Astrida (currently southern province). Butare was initially the leading contender to be the capital of the newly independent nation, but Kigali was chosen because of its more central location (Grünfeld & Huijboom, 2007: 28). Since then, the city has grown very quickly and is now the major political, economic, and cultural, and transport hub of Rwanda. Ki-
gali was enlarged in January 2006, as part of a local government reorganization in the country. It is made up of three districts, namely Gasabo, Kicukiro, and Nyarugenge. Kigali is 70% rural with a population relatively young – the youth make up about 60% and women make up slightly more than 50%. Kigali is a province-level city governed by a city council that appoints an executive committee to run the day-to-day operations of the city. The executive committee consists of a mayor and two deputies.19

Kigali City is rich in culture and arts. It houses several memorials, museums, and centers dedicated to the Rwandan Genocide, including the Kigali Genocide Memorial Centre. Other museums include the National Museum of Rwanda, the presidential palace in Kanombe, and Kandt House Museum of Natural History. The city is suffused with remarkable architecture, recording studios, theaters, dance performances, and craft markets.20

Beginning on April 6, 1994, Kigali was the scene of the Rwandan Genocide – the slaughter of approximately one million Tutsi by Hutu militias (Interahamwe), and some members of the Rwandan army within 100 days (Ubaldo & Totten, 2011: 3-8). In his book, “Shake Hands with the Devil: The Failure of Humanity in Rwanda,” General Romeo Dallaire (2004) stated “I watched as the devil took control of paradise on earth and fed on the blood of the people we were supposed to protect.” As a commander of the UN Mission, he observed in just one hundred days the killings of almost one million Tutsi. With only a few troops, his own ingenuity and courage could not save the thousands of Tutsi being killed, and his call for more support from the

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20 www.blackpast.org/gah/kigali-city-rwanda-1907#sthash.gFVtbaya.dpuf, accessed on October 5, 2015.
world body fell on deaf ears. This was the awful history the world community chose to ignore (Dallaire, 2004).

Despite the fact that Kigali city was devastated in that period, the city’s structure has recovered quickly. Its vision is to turn it into a safer, cleaner, and more competitive, modern city with expanding opportunity for sustainable development of its citizens and the country at large.\textsuperscript{21}

The climate is considered a tropical savanna climate. There is a short rainy season from October to December, followed by a short dry season in January and February, the long rainy season extends from March to May, and the long dry season lasts from June to September (King, 2006:10).

In terms of the economy, business in Rwanda has been growing, and many new buildings have sprung up across the city, including the BCDI Tower, Centenary House, and Kigali City Tower, Insurance Plaza, M. Peace Plaza, etc. The City of Kigali plays a major role in this development, as the main hub of tourism sector.\textsuperscript{22}

Kigali International Airport, newly upgraded.

The city has an international airport, with international passenger flights to (among others) Amsterdam, Brussels, Nairobi, Entebbe, Dar es Salaam, Johannesburg, Qatar, and Istanbul. The airport was renovated and expanded in 2014, but is somehow still limited by its location on the top of a hill, consider-

\textsuperscript{21} Ibid.
\textsuperscript{22} Ibid.
ing the recent increase in flights to this destination. A brand new one is being considered in the Nyamata area, some 40 kilometers from Kigali.\footnote{Ibid.}

Internal transport is available from Kigali by minibus to most parts of Rwanda. While they will bring you near the national parks, they do not take you into the parks. They are not suitable for tourists but are used by backpackers to get around.

Ground tour operators/handling agents as well as organizing guided tours can also arrange the rental of 4-wheel drive vehicles and sedan car rental. There are several daily coach services that depart from Kigali to destinations in East Africa. Most leave from Nyabugogo Bus Station.\footnote{https://en.wikipedia.org/wiki/Transport_in_Rwanda, accessed on October 5, 2015.}

On August 30, 2013, the City of Kigali (CoK) launched a new public transport system. These reforms were an implementation of the public transport policy and strategy approved by the cabinet in October 2012 (Hope Magazine, 2014). The system was put into place as a solution to the many problems that were dogging public transport in the city, such as poor service-delivery, unhealthy competition, a disorganized transport system, and unprofessionalism.\footnote{www.newtimes.co.rw/section/article/2014-09-10/180699/, accessed on October 5, 2015.} All these led to a totally dysfunctional public transport system. The move saw the city divided into four exclusive Public Transport Zones that were allocated to three successful bidders – Kigali Bus Services, Royal Express, and Rwanda Federation of Transport Cooperatives (RFTC) – through an open, competitive bidding process, where each was awarded a five-year operating license. This system encouraged the use of modern, smarter, and bigger buses, appropriate for public transport along congested roads in the city. According to Jean-Claude Rurangwa, who is in charge of transport in the City of Kigali and was quoted in Focus of January 23, 2015, “There is a significant increase in the number of people using public transport, with some 400,000 commuters per day now against between 180,000 and 200,000 a few years ago. The number of modern buses on city roads has also significantly increased, with 300 new cars being brought into circulation in the 15 months since the new system became operational. This in turn has made banks more confident about granting loans to private transport companies, making it easier for them to operate.”

Kigali has also many taxis (known as “special hire” or “taxi voiture”), which are generally painted white with an orange stripe down the side. There are also motorbike taxis (“taxi moto”), which offer a service similar to a taxi but for lower prices.\footnote{www.kigalicity.gov.rw, accessed on November 15, 2013.}
b Musanze District (Volcanoes DMA)

The second study area is Volcanoes DMA located in Musanze District in the Northern Province of Rwanda (see the location of the district in figure 7). It is Rwanda’s most mountainous district, containing the largest part of Volcanoes National Park, and its head office at Kinigi. Five of the eight volcanoes of the Virunga chain (Karisimbi, Bisoke, Sabyinyo, Gahinga, and Muhabura) are within the district boundaries (Briggs & Booth, 2010: 22). It is also in this district that most of Rwanda’s mountain gorillas are found, and, being the host of the baby gorilla-naming ceremony, an annual event held at Kinigi on the edge of the National Park, it has been successful in attracting international media coverage, through the participation of big name celebrities like Prince Albert of Monaco; the Minister of Foreign Affairs of South Sudan, Nhial Deng Nhial; and the Ugandan, Kenyan, Japanese, and Dutch ambassadors to Rwanda.27 This event makes Musanze District, the most popular tourist destination in the country (UNWTO, Tourism Master Plan for Rwanda, 2009).

Figure 7

Area of distribution of mountain gorillas in Volcanoes DMA

Musanze’s main town, Ruhengeri, is one of the largest towns in Rwanda and also serves as a tourist hub. Tourist attractions in Musanze District include: the mountain gorillas as the major tourist attraction, volcanic mountains within the Virunga chain, flora and fauna, Ruhondo and Bulera Lakes in the south western part, and cultural houses in Kinigi.

The Northwestern part of Musanze District borders on the Virunga National Park in the Democratic Republic of Congo and Mgahinga Gorilla National Park in Uganda. Musanze District has green hills, a pleasant climate, and a friendly atmosphere. Agriculture and tourism are the lifeblood of the district. At least 91% of the population is engaged in agriculture. Musanze is the second largest population center in Rwanda, following the capital city of Kigali. It is a fast growing community with lots of development opportunities, as it seeks to become a modern city district. Musanze District is endowed with diverse natural resources and has different potential economic endowments that could spur local economic development including lakes and rivers, rich mineral deposits, and potential tourism activities (District Development Plan, 2013-2018:9-14).

c Rubavu District (Rubavu DMA)

The third study area is Rubavu DMA located in Rubavu District (see its location in figure 7). Rubavu District is one of the Western Province’s seven districts with its town Rubavu, characterized by business travelers as being the bridge between the Rwanda’s two neighboring countries: DRC and Uganda. Gisenyi touches directly on the border of DRC at Goma border and is near Uganda’s Cyanika border in the Burera District. The old colonial-era villas on the waterfront give the town a distinctive character that is vital as a tourist resort (Briggs & Booth 2009, 167-175). As it is featured in its District Development Plan (2013-2018), Rubavu is a strategic location, featured as a resort on the shores of Lake Kivu, with several hotels and three sandy beaches good for swimming, boat rides, and sun bathing, as well as a variety of water sports or even taking a long stroll along the beachfront.

Photo of Lake Kivu sandy beach taken by author on October 12, 2013.
The northern shore of the lake, on which Goma and Rubavu lie on a flat plain, features lava formations from the eruptions of nearby Nyiragongo Volcano (located in the DRC). The center of Rubavu lies in the foothills in the northeast corner of Lake Kivu. Rubavu is also home to Bralirwa, the first brewery established in Rwanda, which manufactures various local beers like Primus and Mutzig, as well as international brand beers like Heineken, Amstel, Guinness, and a range of Coca Cola brands and Fanta soft drinks. Rubavu District is one of the best tourism destinations in Rwanda, since it has the most attractive natural and cultural sites in the sectors of Rubavu, Nyamyumba, Busasamana, Kanzenze, and Nyakiriba (UNWTO, 2009). Gisenyi is more prepared for up-market tourism than any urban center outside of the capital, and it thus forms a decent alternative base to Kigali, from which tourists themselves can drive to visit the gorillas, while at the same time also possessing a seductive tropical atmosphere that makes it a great place to settle for tourism purposes. Good roads connect Ruhengeli and Gisenyi to Kigali and southern Uganda, and the area as a whole has a pleasant moderate year-round temperature and consistently attractive mountain landscape. Gisenyi is divided into an upper and lower town, of which the former consists of an ordinary grid of busy roads centered on a small market with a northern skyline dominated by the distinctive volcanic outline of Nyiragongo, whose active crater belches out smoke by day and glows gloomily at night. The lower town has a roomier and more atmospheric cluster of banks, government buildings, old colonial homesteads, and hotels, besides a shore lapped by the water of Lake Kivu. The waterfront, with its red sandy beaches, pleasing mismatch of architectural styles, and shady palm-lined avenues, constitutes the charming center of Gisenyi (Briggs & Booth 2009:167-175). While in the Rubavu District you can enjoy its diversity of unique attractions like the Nyamyumba Hot Springs, caves, tea plantations, natural methane gas plant, the Congo Nile Trail, Gishwati National Forest, and historical sites. The Congo Nile Trail is a new hiking tourism product launched in 2011 on the shores of Lake Kivu, which creates a western corridor linking Nyungwe and Volcanoes, as well as the beautiful scenery of Lake Kivu’s surroundings. The Congo Nile Trail covers a wide range of the attractions on Lake Kivu’s shores, such as coffee and tea experiences, and can be walked in 10 days, or completed by mountain bike in five days and by four-wheel-drive car in three days (RDB, 2012).
1.7 Structure of the study

This PhD thesis is divided into six chapters. The chapters constituting the study are as follows.

The first chapter lays the foundation for the thesis. It introduces some of the basics that are essential for understanding entrepreneurialism and economic growth in Rwanda. It provides the economic and tourism performance figures for Rwanda, as well as a description of the new economic development model for Rwanda. It states and describes the research problem, the research objectives, and the research questions. It finally provides a delimitation of the study areas by describing their geographical location as well as their importance in terms of entrepreneurial contribution to the economic, cultural, and tourism development of Rwanda.

The second chapter looks at the historical development of tourism and provides a global overview of tourism worldwide, in Africa, and then narrows it down to Rwanda. It gives an outline of the importance of tourism as contributor to the economic growth of Rwanda. The chapter concludes by focusing on factors hindering tourism development in Rwanda and how tourism can be used as a mechanism for increasing economic growth.

Based on a review of the scant literature existing on entrepreneurialism in terms of tourism and economic growth, chapter three looks at the history of entrepreneurship and its definitional challenge, as well as the link between tourism entrepreneurship and economic growth. It offers a critical perspective on the central role tourism entrepreneurs and policy-makers can play in boosting economic growth through a policy intervention for enhancing tourism entrepreneurship, building institutional and entrepreneurial capacities of entrepreneurs, and improving macroeconomic conditions. It dwells on the role of entrepreneurship leadership as a catalyst for building a strong tourism industry, facilitated by networks and collaborations between key players locally, regionally, and internationally.

The fourth chapter looks at the four broad elements of research methodology. It describes the research approach used in this study, and the knowledge and skills needed to answer the research questions posed.

The fifth chapter reports on the findings from the research instruments. It outlines the findings from the participants on the main themes captured from their views, in relation to the state of entrepreneurialism in tourism business in Rwanda in general, the role of government’s policies in stimulating tourism business development, the role of entrepreneurs and policy-makers in coordinating and harnessing the regulatory framework to enhance macroeconomic conditions and entrepreneurial skills, and the competencies of key players in the tourism sector in the context of Rwanda.
Informed by the research objectives, the sixth chapter provides a summary of the findings and engages in general discussions about them. It synthesizes the main recommendations that can be considered for future tourism entrepreneurship development, based on the needs expressed by the participants in the study areas and based on arguments of various scholars concerning tourism entrepreneurship and its implications for economic growth.

In conclusion, this present chapter has laid the foundation for this thesis. It has introduced some basics that are fundamental for understanding the research on entrepreneurialism in tourism and economic growth in the context of Rwanda. It stated and described the problem, and presented the research objectives and research questions. In this way the research has been justified, along with presenting definitions of key terms, and briefly describing and justifying the methodology used. On these foundations, the thesis can proceed with the next chapter, chapter 2, which provides a literature review of the global context of tourism and its economic impact.
2

Context of the Global Tourism Sector and Its Impact on Economic Growth

2.1 Introduction

The tourism business has been growing globally over the past 60 years and has become an instigator for economic growth all over the world, particularly in developing countries; it creates jobs, generates foreign exchange earnings, and hence increases economic development and prosperity (UNWTO Tourism Highlights, 2014 Edition). In this endeavor, the researcher assumes that the development of more dedicated policies towards tourism entrepreneurship, and appropriate education and training, could well propel and facilitate this economic engine further. According to the UNWTO 2014 Highlights, Edition 2015, international tourism receipts reached USD 1,245 billion worldwide, up from USD 1,159 billion in 2013, and contributed 9% of global GDP, and accounted for 1 in 11 jobs on the planet (UNWTO Tourism Highlights, 2014 Edition: 2). Page and Connell (2009) note that this has not been a smooth growth path, and the development of global tourism has been affected by slowdowns and recoveries due to man-made or natural crises. WTTC (2014) shows an upward rise towards 2030 in terms of arrivals and receipts. At the projected pace of growth, international tourist arrivals worldwide are expected to reach 1.4 billion by 2020 and 1.8 billion by the year 2030. Rising household incomes in emerging economies – not only the BRICSs (Brazil, Russia, India, China, and South Africa) but increasingly across the rest of Southeast Asia and Latin America and Africa – will continue to fuel increased leisure demand, hence providing jobs, generating prosperity, and facilitating international trade and investment (WTTC, 2014).
Figure 8 shows a sustained growth of tourist arrivals from 1950 up to 2030. Despite occasional shocks, tourism has shown virtually continuous expansion and uninterrupted growth, becoming a key tool for socioeconomic progress in export revenues, creation of jobs and enterprises, and infrastructure development (UNWTO, 2014: 2). This chapter seeks to give an overview and understanding of the importance and significance of the tourism sector, and its impact on global socioeconomic development in Africa and particularly in Rwanda. It goes on to explain, on the one hand, that tourism is expected to foster economic growth through foreign exchange earnings and, on the other, that it drives improvement in people’s well-being through job creation, revenue distribution, and economic development. It further explains why entrepreneurialism in the tourism business matters: It strengthens tourism as a key driver for economic growth in Rwanda, through designing and implementing appropriate policies that can harness both entrepreneurs and macroeconomic conditions.

2.2 The global tourism business and its historical development

The tourism business can be traced back to as long as people have travelled. Most historians of tourism (Urry, 1995; MacKenzie, 1995; Rusell, 2004; Hind & Mitchell, 2004; Green, 2004) tend to focus on Europe, from the Greeks and Romans to the railway, with the avenue of what was termed as the “Grand
Tour;” a traditional European trip undertaken by mainly upper-class European young men of means, mainly from Western and Northern European countries. According to Coltman (1989), tourism has existed even in other regions of the world for centuries, and therefore its history cannot be easily traced. He points out that during the reign of the ancient Egyptian dynasties, travel for both business and pleasure began to flourish, and hospitality centers were built alongside major routes to accommodate people travelling between central government posts and outlying territories. According to Gee and colleagues, (1997), towards the height of the Assyrian empire, the means of travel were improved, and roads and markers were established to indicate distances and directions.

The earliest recorded tourism in Greece tended to be specialist in nature and related to religious practice; people visited religious festivals and consulted oracles, and attended the Olympic Games that began in 776 BC (Swarbrooke & Horner, 1999). This seems to indicate that the early Greeks advanced the development of tourism. Towards the end of the Roman Empire, the ruling patrician class enjoyed their leisure during periods of relative peace. Like the Greeks before them, they observed their own athletic and religious events, and travelled to these cities. Sightseeing was also popular with wealthy Romans. Romans toured Egypt to see the Sphinx and the Pyramids. Alexandria was a cosmopolitan oasis for Roman aristocracy, since many nationalities were represented there, including Egyptians, Greeks, Jews, Ethiopians, Indians, and Syrians (Swarbrooke & Horner, 2007)

Before the 1950s, tourism in Europe was mainly a domestic activity with some international travel between countries, mainly within the continent of Europe, until the advent of large-scale rail and affordable transport introduced by Thomas Cook in 1841, which made the “Grand Tour” less of a burden (New York Times, September 5, 2008; Tim, 2002; Morrow, 1997). In the period of recovery following World War II, a combination of circumstances provided an impetus to international travel. Among the important contributing factors were the growing number of people who were employed, the increase in real disposable incomes and available leisure time, and changing social attitudes towards leisure and work. These factors combined to stimulate the latent demand for foreign travel and holidays (Swarbrooke & Horner, 2007). The emergence of specialist tour operators, who organized all-inclusive holidays by purchasing transport, accommodation, and related services, and selling these at a single price, brought foreign holidays within the price-range of a new and growing group of consumers (Towner, 1985). The “package” or “inclusive” tour democratized travel in Europe; foreign holidays were no longer the preserve of the affluent and socially elite classes, despite the fact that for the most part of the nineteenth century it had been expensive and limited to a small num-
ber of destinations (Towner, 1996). In the 1960s, the number of people with disposable incomes and the desire for “something new” grew, and reasonably priced commercial air travel made international travel easier. At that point, mass tourism arrived and people started to travel to distant parts of the world to see great buildings, works of art, learn new languages, experience new cultures, and taste different cuisines, enjoy leisure as well as modern “niche” tourism. Since then, there has been an upward trend in tourism until the present day, where tourists have a wide range of budgets and tastes, and a wide variety of resorts and hotels to cater for them locally and internationally in the form of beach vacations, specialized holidays, quieter resorts, family-oriented holidays, or niche market-targeted destination hotels, etc. The developments in technology and transport infrastructure, such as jumbo jets, low-cost airlines, and more accessible airports have made many types of tourism more affordable, quicker, and easier, covering greater distances than ever before. This era has also witnessed the development of powerful tour operators with a high degree of vertical and horizontal integration, able to shape the tourism industry (Poon, 1993: 30). The segmentation of the tourism market and the differentiation of products have resulted in a huge range of tourism products, services, and experiences (Kebba, 2009). The UNWTO estimated in 2009 that there are around half-a-million people on board aircraft at any given time. There have also been changes in lifestyle: For example, some retirement-age people enjoy year round tourism. This is facilitated by Internet sales from tourist services. Some sites have now started to offer dynamic packaging, in which an inclusive price is quoted for a tailor-made package requested by the customer upon impulse (Lew & Alan, 2008).

Figure 9
Day trip and excursion. Evolution of the tourism business over the last 60 years
Source: Adapted from Page and Cornell (2009).
2.3 The global tourism business and its impact on economic growth

Figure 9 illustrates the diversification and development of tourism since it emerged. It further shows how new forms of tourism activities have grown over time, up to the present. Many destinations have opened up alongside the traditional ones of Western Europe and America. Growth has been particularly strong in emerging countries, where the share of international visitors has grown from 30% in 1980 to reach 47% in 2013; this trend is expected to maintain the same pace as the share is estimated to reach 57% by 2030 (UNWTO Highlights, 2013).

Despite this positive tourism impact on a global scale, according to the UNWTO Handbook on Market Segmentation (2007a), the tourism sector is still facing many constraints, such as cost of transport, which is still relatively high, availability of time for travel and leisure, and other barriers to travel such as visas, and, this, combined with increased competition among countries and destinations, makes it even more competitive due to its associated socioeconomic benefits.

2.3 The global tourism business and its impact on economic growth

The tourism business is an activity of considerable economic importance. Tourism impacts on national economic growth in various ways (Mihali, 2004; Sharpley, 2004; Sinclair, 1998). Tourists consume a wide range of products and services, including, among others, transportation, accommodation, food, and entertainment services. This demand adds up to a domestic demand with an impact on economic growth and job creation. The tourism sector also creates demand and employment in non-tourism sectors of the economy, such as agriculture, construction, manufacturing, retail and trade, and intra-sectorial demand. Tourism’s demand for public goods contributes to the improvement of the general provision of infrastructure for the local population, such as, for instance, roads, airports, water, sanitation, and energy. These activities contribute to national wealth, and to the income of individuals and their households. In addition, tourism-induced economic activities enlarge tax and import-tariff revenues for national governments. Revenues and employment generated in the tourism sector may help finance existing social and health insurance programs. Furthermore, international tourism, as an export category, provides hard foreign currency to destinations and impacts positively on the balance of payments.

According to UNWTO (2013 Highlights, 2014 Edition), the global tourism business affects all nations, those who receive the influx of tourists or those where the tourists come from. As a labor-intensive industry, the growth of the tourism business calls for an increase in education and training.
of the local population in hospitality and tourism entrepreneurship, in a bid to enhance professionalism and creativity and to provide more job opportunities as well as other associated socioeconomic benefits. This contributes to the current intense destination competition. Having dominated the tourism market for the last sixty years, Western developed countries are currently facing greater competition through diversification and product development by newly emerging countries such as China, India, Russia, Brazil, and South Africa, and others (UNWTO Highlights, 2013). The BRICS alone represent a 46% share of international arrivals, proof of the growth and increased opportunities for travel from people in these new markets (WTTC, 2015). According to Hall (2000), governments have realized that the long-term importance of tourism is not only related to generating more revenues but is also a promoter of international peace and goodwill. This explains why governments continue to encourage travelers to visit their respective countries. For this to happen, governments invest in tourism planning and promotion, as well as in putting in place adequate policies and tourism facilities such as hotels, road infrastructure, communication, and tourist attractions. In line with the above, emphasis is also put on environmental conservation and the maintenance of cultural heritage, as well as on events and entertainment (Stabler, 1991). Other areas that require a great deal of attention on the part of governments are safety and security, as well as health control and maintenance of sanitary, good conditions (Goeldner et al., 2002: 24).

Attracting international tourists and facilitating their travel within a given destination requires policy interventions and is part of a government’s international approach vis-à-vis foreign and trade policy. As stated by Hall (2000), increased contacts between people of different cultures can lead to increased knowledge and understanding of nations. In the case of Rwanda, Colletta and Cullen (2000: 98) noted that the most important thing for social capital development in Rwanda was to dilute the potency of ethnic, tribal, and religious identities by building meaningful relations among individuals, civil society organizations, and the state after the 1994 Genocide against Tutsi.

From what precedes, it is worth noting that the continued development of tourism in a country provides benefits in different ways, and this is pinpointed by Riley, Ladkin, and Sizvas (2002), who argue that the tourism business has experienced notable growth and portrays even more potential growth for many years to come. A systematic approach to tourism development, planning, and management is required in order to have a strong policy, especially for developing countries, since tourism can cater for social and environmental problems, as well as for economic growth and diversification (Smith, 1996). Over the past six decades, tourism has experienced expansion and
2.3 The global tourism business and its impact on economic growth

continuous diversification, becoming one of the largest and fast growing economic sectors in the world, thereby inducing economic growth and well-being for people around the world.

Table 5
International tourism growth from 2011-2014 and projections 2015

<table>
<thead>
<tr>
<th>Tourism growth per region</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Projection 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>+4%</td>
<td>+4%</td>
<td>5%</td>
<td>+4%</td>
<td>+3% to 4%</td>
</tr>
<tr>
<td>Europe</td>
<td>+6%</td>
<td>+3%</td>
<td>3%</td>
<td>+3%</td>
<td>+3% to 4%</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>+5.6%</td>
<td>+7%</td>
<td>6%</td>
<td>+5%</td>
<td>+4% to 4%</td>
</tr>
<tr>
<td>Americas</td>
<td>+4.2%</td>
<td>+5%</td>
<td>+3%</td>
<td>+8%</td>
<td>+4% to 5%</td>
</tr>
<tr>
<td>Africa</td>
<td>0%</td>
<td>+6%</td>
<td>+5%</td>
<td>+2%</td>
<td>+3% to 5%</td>
</tr>
<tr>
<td>Middle East</td>
<td>-8%</td>
<td>-5%</td>
<td>0%</td>
<td>+5%</td>
<td>2% to +5%</td>
</tr>
</tbody>
</table>

Source: Own compilation from UNWTO Tourism Highlights, 2015 Edition.

As Table 5 shows, the relative growth in international tourism projections has been particularly strong in the Americas (8%), Asia and the Pacific (+6%), the Middle East (+5%), and has slightly decreased in Africa (+2%), mainly due to the relative security prevailing there compared to last year’s situation. Prospects for growth in 2015 are expected to pursue the same trends (UNWTO 2014 Highlights, 2015 Edition).

For many developing countries, tourism is and remains one of the main sources of foreign exchange earner income and the number one export category, creating much needed employment and opportunities for development.28

In terms of source of markets, table 6 reveals that international tourism is still largely dominated by industrialized countries in Europe, the Americas, and Asia and the Pacific. With the rise of disposable income, many emerging economies have shown fast growth over recent years, in particular, markets in Asia and the Pacific, Europe, the Middle East, Africa, and the Americas.29

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29 Ibid.
### Table 6
International tourist arrivals in (millions) and market share by region

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>World advanced economies¹</td>
<td>799</td>
<td>883</td>
<td>940</td>
<td>983</td>
<td>100</td>
<td>3.5</td>
</tr>
<tr>
<td>Emerging economies²</td>
<td>455</td>
<td>475</td>
<td>499</td>
<td>523</td>
<td>53.2</td>
<td>2.4</td>
</tr>
<tr>
<td>By UNWTO regions²</td>
<td>344</td>
<td>408</td>
<td>441</td>
<td>460</td>
<td>46.8</td>
<td>5.0</td>
</tr>
<tr>
<td>Europe</td>
<td>440.7</td>
<td>461.7</td>
<td>474.8</td>
<td>504</td>
<td>51.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>153.6</td>
<td>181.1</td>
<td>204.4</td>
<td>217</td>
<td>22.1</td>
<td>5.9</td>
</tr>
<tr>
<td>Americas</td>
<td>133.3</td>
<td>141.7</td>
<td>150.7</td>
<td>156.6</td>
<td>15.9</td>
<td>2.7</td>
</tr>
<tr>
<td>Africa</td>
<td>34.8</td>
<td>45.9</td>
<td>49.7</td>
<td>50.2</td>
<td>5.1</td>
<td>6.3</td>
</tr>
<tr>
<td>Middle East</td>
<td>36.3</td>
<td>52.8</td>
<td>60.3</td>
<td>55.4</td>
<td>5.6</td>
<td>7.3</td>
</tr>
</tbody>
</table>


¹ Classification based on IMF, 2012 @www.imf.org/external/pubs/ft/weo/2012/01
² Classification by UNWTO, 2012

**Figure 10**
Share of inbound tourism by purpose of visit in 2013
Source: UNWTO, Highlights 2014: 5.
2.3 The global tourism business and its impact on economic growth

Figure 10 above shows that in 2013 travel for leisure, recreation, and holidays accounted for just over half of all international tourist arrivals (52%). Some 14% of international tourists reported travelling for business and professional purposes, and another 27% travelled for other purposes, such as visiting friends and relatives (VFR), religious reasons and pilgrimages, health treatment, etc. The purpose of visits for the remaining 7% of arrivals was not specified. This figure is very important, as it informs stakeholders in tourism development what kind of infrastructure and tourism product diversification they should focus on, when planning for visitors they want to attract to their respective destinations.

Figure 11 indicates that slightly over half of travelers arrived at their destination by air transport (53%) in 2013, while the remainder travelled over the surface (47%), whether by road (40%), rail (2%), or over water (5%).

In 2011, international tourism receipts reached USD 1,030 billion, up from USD 927 billion in 2010. This represents a 3.9% growth in real terms, while international tourist arrivals increased by 4.6% in 2011 to 983 million. By region, Europe holds the largest share of international tourism receipts (45% share), reaching USD 463.4 billion in 2011, followed by Asia and the Pacific (28% share or USD 289 billion, and the Americas (19% share or USD 199 billion). The Middle East (4.5% share) earned USD 45.9 billion and Africa (3.2% share) USD 33 billion. Visitor expenditure on accommodation, food and drink, local transport, entertainment, and shopping is an important contributor to the economy of many destinations, creating much needed em-
ployment and opportunities for development. In 2011, both emerging and advanced destinations reported significant increases in receipts.

Table 7
International tourism receipts in (billions) and market share by region in 2011

<table>
<thead>
<tr>
<th>International tourism receipts per region</th>
<th>Receipts in 2010</th>
<th>Receipts in 2011</th>
<th>Market share in 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>927</td>
<td>1,030</td>
<td>100</td>
</tr>
<tr>
<td>Advanced economies¹</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emerging economies¹</td>
<td>589</td>
<td>664</td>
<td>64.5</td>
</tr>
<tr>
<td>By UNWTO regions²</td>
<td>338</td>
<td>366</td>
<td>35.5</td>
</tr>
<tr>
<td>Europe</td>
<td>409.3</td>
<td>463.4</td>
<td>45</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>255.3</td>
<td>289.4</td>
<td>28.1</td>
</tr>
<tr>
<td>Americas</td>
<td>180.7</td>
<td>199.1</td>
<td>19.3</td>
</tr>
<tr>
<td>Africa</td>
<td>30.4</td>
<td>32.6</td>
<td>3.3</td>
</tr>
<tr>
<td>Middle East</td>
<td>51.7</td>
<td>45.9</td>
<td>4.5</td>
</tr>
</tbody>
</table>


¹ Classification based on IMF, 2012 @www.imf.org/external/pubs/ft/weo/2012/01

Table 8
UNWTO forecasts through to 2030: International tourism by region of destinations

<table>
<thead>
<tr>
<th>Tourism market share per region</th>
<th>International tourist received (million)</th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
<th>2010</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual data</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World</td>
<td>940</td>
<td>498</td>
<td>442</td>
<td>1,360</td>
<td>643</td>
<td>717</td>
</tr>
<tr>
<td>to Advanced economies (1)</td>
<td>498</td>
<td>442</td>
<td>1,809</td>
<td>772</td>
<td>47</td>
<td>57</td>
</tr>
<tr>
<td>to Emerging economies (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By regions (2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>475.3</td>
<td>620</td>
<td>744</td>
<td>50.6</td>
<td>41.1</td>
<td></td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>204</td>
<td>355</td>
<td>21.7</td>
<td>29.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>50.3</td>
<td>85</td>
<td>134</td>
<td>5.3</td>
<td>7.4</td>
<td></td>
</tr>
<tr>
<td>Middle East</td>
<td>60.9</td>
<td>101</td>
<td>149</td>
<td>6.5</td>
<td>8.2</td>
<td></td>
</tr>
</tbody>
</table>


¹ Classification based on IMF, 2012 @www.imf.org/external/pubs/ft/weo/2012/01.

¹ Classification by UNWTO, 2012.
The figures in table 8 show that the number of international tourist arrivals worldwide through to 2030 is expected to increase over the period 2010 to 2030. Over time, in absolute numbers, international tourist arrivals will reach 1.8 billion by the year 2030. International tourist arrivals in emerging economy destinations of Asia, America, Europe, the Middle East, and Africa will grow fast compared to advanced economy destinations. As a result, arrivals in emerging economies are expected to surpass those of advanced economies, hence in 2030, 57% of international arrivals will be in emerging economy destinations and 43% in advanced economy destinations. By region, the biggest growth will be seen in Asia and the Pacific, the Middle East, and Africa, respectively, while Europe and the Americas will grow comparatively less. Due to their faster growth, the global market shares of Asia and the Pacific will reach 30% in 2030, up from 22% in 2010, the Middle East will increase up to 8%, from 6%, and Africa will reach 7%, from 5%, while Europe will fall to 41%, from 51%, and the Americas to 14%, from 16% as a result of a decline in their share of international tourism, mostly because of the slower growth of comparatively mature destinations in North America, Northern Europe, and Western Europe. These changes, resulting from shifting destination market shares, will impact countries’ export earnings, with further changes to Gross Domestic Product (GDP) and employment. However, the quality of African data has raised concerns among researchers. In his book *Poor Numbers*, Jerven (2013:5) warns users of the weak data measuring income and growth. He points out that statistics from mainly developing countries located mostly on the African continent are too poor to assess very basic characteristics of their economic performance. In the survey of 23 Sub-Saharan countries, he found in the African statistics, especially after independence, discrepancies and huge gaps in statistics, which may mislead users, such as UNWTO, World Bank, and other governmental and non-governmental organizations, and other entities, in making appropriate decisions. He warns that those statistics, mainly on the African continent, need to be taken with caution. In the case of Rwanda, it was noted that the Office of Statistics of the Rwanda Development Board has insufficient personnel, and is too under-resourced to supervise and monitor tourism development appropriately (Hannah & Spenceley, 2010; Government of Rwanda & UNWTO, 2009). In this study, despite the lack of academic research in Rwanda on tourism and other credible alternative sources, in general, on African economic development statistics, whatever data available on the tourism sector from official reports of the Government of Rwanda and other international institutions such as IMF, UNWTO, WEF, and WTTC are used as baseline estimates to establish the performance of the tourism sector. In search of improved tourism statistics, many countries have opted for the use of the 2008 Tourism Satellite
Context of the global tourism sector and its impact on economic growth

Tourism Satellite Accounts (TSA), a recommended and approved framework by the UNWTO Statistics Division since 1990, to measure economic performance of both inbound and domestic tourists in national economies, but it is striking to note that only a few countries mainly in Sub-Saharan Africa, Rwanda included, have full, comparable figures available to allow for comparison of key performance indicators. According to UNWTO (2010b), a total of 53 countries have adopted the use of TSA (Tourism Satellite Accounts).\(^{30}\) This is a small number compared to around 80 member countries, and this may contribute to the relatively poor state of statistics in relation to the tourism economy. The statistical data above, available from UNWTO Statistics Division, are considered as an indication of the significance and relevance of the tourism sector to the global economy and to individual economies, but should be viewed with utmost care. The problem, as noted by Jerven (2013:121), is that the data on African development statistics can be manipulated by government policy-makers and other organizations to lobby for support and investments. He advises using the above data with caution, arguing that the state of the system that produces the statistics is deficient in many poor countries (ibid.). The problem related to the availability and quality of data mediated through state apparatuses needs to be given more emphasis in future development policies. In spite of this criticism, quantitative data sources used in this study have been supplemented by qualitative investigation and analysis for the relevance of the findings.

Despite these relatively poor statistics, the role of tourism in the global economy cannot be denied. It remains a major industry globally and a major sector in many economies; it has a major impact on economies of countries all over the world and has the capacity to contribute to the overall development of humanity through the creation of jobs, generation of foreign income, and the building of ties with different cultures and the provision of infrastructure. Tourists visit countries and enjoy experiences and tourism activities at the sites. Tourist expenditures enter directly into national economies through the firms and activities that cater to tourist needs. Thus, the tourism industry has become a global economic force, generating significant revenue, and contributing directly and indirectly to national economies.

Beyond the global and regional levels, another picture emerges at the country level, revealing a concentration of tourism in a few African coun-

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30 TSA is an established, international, and widely accepted methodology for displaying key economic information on the impact of tourism on GDP, gross value added, employment, taxation, and the indirect and direct value of tourism, as added to the economy, as well as the dependence of a national economy on tourism activity.
tries such as South Africa, Mauritius, Tunisia, Morocco, Egypt, Botswana, the Seychelles, and Kenya.31

In the African context, the success of these few countries relies on the fact that they have been able to integrate tourism as part of their economic strategies and as one of the principles of their engine for economic growth. In line with the above, the potential of tourism in Africa has also been highlighted and recognized by the new partnership for Africa’s development (NEPAD). The 2004 NEPAD Tourism Action Plan states: “Tourism is recognized as one of the sectors with the most potential to contribute to the economic regeneration of the continent, particularly through the diversification of African Economies, and generation of foreign exchange earnings (2004 NEPAD Action Plan:5).” Currently, the majority of African governments are showing interest in tourism as a source of growth and diversification (Harrison, 2000:37). There is also recognition around the African continent that, in an appropriate policy environment, tourism can contribute effectively to economic and social development including poverty alleviation (Ashley, 2003:5). For this to be sustainable, it is assumed that entrepreneurship, mainly made up of small and medium businesses and intensively human-led, can play a critical role and add value to the development of the tourism industry.32

2.4 Trends shaping the visitor and its implications for economic growth

According to the UN World Tourism Organization (2013),33 the main determinants and influencers that will positively shape the development and growth of tourism in the future include: prosperity, affordability, accessibility, events, culture, globalization and localization, competition, information technology, and climate. Social trends, such as changes in leisure consumption expenditure, and patterns, such as product differentiation, demographic shifts, and greater health consciousness, etc., are some of the dynamics that will impact on the future purchase decision of a tourist; hence, the necessity to understand what consumers want and what the trends are will be prerequisites for the tourism sector to flourish. This means that, for Rwanda,

33 The World Tourism Organization (UNWTO) is the United Nations specialized agency mandated with the promotion of responsible, sustainable, and universally accessible tourism (UNWTO, 2014 Highlights:2).
tourism players have to follow emerging social and economic trends, and be equipped with the necessary human capital.

The services and goods, which the tourism sector provides, are primarily developed to meet the needs of the visitor as a consumer. Customer satisfaction seems to be at the core of tourism success. Destinations need to offer meaningful experiences to tourists. Putting sustainability values at the heart of their products and services may shape the future of tourism in terms of destinations. Currently, according to UNWTO (2010), consumer trends shape the tourist’s choice of destination, and are based on health, safety, demographics, and advancements in technology, environment, and economy, in the search for authenticity, hedonism, and luxury. The adaptability and flexibility of destinations are ingredients required to offer heterogeneous products to a new profile of tourists with high expectations. For this to happen, there is a need for skillful and competent people, who can adapt easily to this evolving demand in a changing market, necessary for the success of any tourism destination. Therefore, understanding the needs of the visitor, as a consumer, is very crucial for tourism entrepreneurs in creating demand for their products and services. The journey of a tourist involves pre-planning and decision-making, through to booking, experiencing, and post-travel evaluation and recollection stages. This makes tourism different from many other consumer purchases, since the experiences sought cannot be tried or tested in advance, and may be emotional purchases.

Seeking to understand the visitor as a consumer has largely been studied by social psychologists since the 1970s (Pearce, 1982; Pearce, 2005). According to Pearce (2005:158), trying to understand motivation, decision-making, and consumer behavior in relation to travel and vacation-taking has raised two critical aspects:

- First, it helps businesses and organizations in the public sector to plan for visitor activities.
- Second, in an increasingly competitive sector, it is essential for destinations, businesses, and other operators to be able to understand what types of visitors and market segments they are attracting and wish to attract.

Since an exploration of all the motives, and deeply seated needs and desires associated with visitor behavior is beyond the scope of my research question and this thesis, I will focus only on the practical application of these motivational issues and their implications. As a broad overview of the relationship of motivation to visitor purchasing decisions and decision-making, figure 12 below illustrates some of the commonly cited motivational factors that shape specific forms of tourism demand.
2.4 Trends shaping the visitor and its implications for economic growth

A useful overview of the current motivations and trends shaping global tourism is provided in the UNWTO (2009a: 3) Handbook of Destination Branding, which states:

Travel motivation is becoming increasingly characterized by a search for leisure, emotional recharge, authenticity, fulfilling experience, outdoor activities/adventure, and a general desire to participate and explore, rather than merely relax. In particular, there is a need to get away from it all and to use travel and holidays as discovery of place, cultures and of self.

These motivational factors are often used as a starting point for the analysis of grouping different visitors into discrete groups and classifying them according to market segments. This process of segmentation allows entrepreneurs, marketers, and analysts in the tourism business to try and identify common reasons for the purchase of tourism products. A number of key

![Figure 12: Factors shaping the visitor's purchase decision](source: Own compilation from Policy and Practices book, (UNWTO, 2010).)
trends characterize tourism and shape its demand, while creating different forms of visitor activity. Some of the trends have been influential for a long period of time (UNWTO, 2001a). UNWTO (2011:19) highlights a number of key trends shaping the decision-making of the tourist visitors discussed below.

- **Globalization – localization divide**
  According to Stopper (1999) and Friedman (2005), globalization and localization are two concurrent trends. On the one hand, globalization is facilitated and fostered by continuing advances in information technology, and is allied to the privatization and deregulation movement, where all countries are integrally competing in the global economy. No aspiring market leader can succeed without establishing networks in all major industrialized and emerging markets. On the other, localization with populations is also responding to this globalization of economies, markets, systems, and cultures by looking to their own divides. According to Rath (2007: 138), tourism is a product of both local and global forces. This implies that the spread of multinational and transnational companies in travel and tourism continues, and will continue, through their economies of scale and scope, by catering for a large volume of visitor movements, accommodation, and mainstream or mass tourism, while, on the local scale, niche operators offer special products, services, and experiences to individuals and groups. The role of tourism entrepreneurs in this interplay appears to be paramount in analyzing the motivational factors influencing the purchasing behavior of the tourist visitor.

- **The rise of low-cost carriers and greater accessibility**
  The rise of low-cost airlines has been fundamentally important in the overall growth of air travel and the development of secondary destinations (Button & Taylor, 2002). Affordable transport in general, and, particularly the growth of low-cost airlines and cheaper long-haul travel has made most parts of the world accessible, and the increased use of regional airports favored by low-cost carriers has led to improvements in infrastructure and increases in local tourism (Garrett, 2014: 28). The rise of the Internet has enabled travelers to access information about most parts of the world electronically and to make their own independent travel arrangements (O’Connor, 1999). According to UNWTO (2012), 54% of bookings and reservations in the USA and Europe are done online. Social media platforms (Facebook, Twitter, YouTube, and Instagram) lead the way for marketing and branding tourism destination, sharing experiences, opinions, and reviews. The Internet has changed tourism consumer behavior dramatically (Mills & Law, 2004). ICTs not only reduce uncertainty and perceived risks but also enhance the quality of trips
(Fodness & Murray, 1997). Customers search for travel-related information, make online air ticket bookings, online room reservations, and other online purchases themselves, instead of relying on travel agencies to undertake this process for them (Morrison et al., 2001). According to UNWTO (2011), this technological trend enables consumers to build their own package of flights, accommodation, and a rental car instead of a pre-defined package, and hence further enhances accessibility and flexibility for the consumer. Relaxation in visas requirements has also facilitated greater freedom of movement across borders (Graham & Shaw, 2008). The implication of this trend is that low-cost flights bring diminished yields per passenger, meaning that passenger volumes are now required more than ever to ensure profitability. To that end, much tourism demand is now characterized by customization based on the use of electronic technology and the Internet (Oxford Economics & Amadeus, 2010b). Segments are identified, and products and services are developed and marketed to a public that shares characteristics, attitudes, behaviors, and interests. Thus, due to the popularity of Internet applications, most tourism organizations, such as hotels, airlines, and travel agencies, have embraced Internet technologies as part of their marketing and communication strategies (Buhalis, 2008).

### Aging generation as a result of increased life expectancy

There is massive growth worldwide of the 60+ generation. An aging population is particularly evident in developed nations (INE, 2008). Alongside increased life expectancy is an increase in healthy life expectancy; with people enjoying good health in their later years, there is, therefore, an expected increase in older visitors who not only live longer but who are also relatively fit and with a younger outlook. According to UNWTO (2008), these “young older” are becoming a primary target market both domestically and internationally, and will play a major role in the tourism industry over the coming years. Entrepreneurs catering for this market will need to be cognizant of their needs. For instance, there may be requirements for the proximity of medical facilities and for accommodation and transport to be designed for those with reduced mobility. Staff training that meets the needs of the older population is also a consideration. Consumers may become more interested in well-being therapies and sporting activities in order to stay healthy. This requires an increase in medical and therapy-related tourism. According to Huang and Tsai (2003), as far as travel behavior is concerned, senior travelers prefer groups and pre-packaged trips (since they are more convenient) for visiting attractions and historical sites. These travelers are increasingly demanding in terms of quality.
Changes in household composition
According to OECD (2008), social structures are changing. This study identifies higher divorce rates, increasing rates of remarriage, older parents with younger children, single parent families, and family groups, which include grandparents and even great grandparents, all of which are changing the conventional model of a household and of the traditional holiday. The rise in the developed world of the single traveler has also been a significant development. This reflects a growing trend for young people to spend some time living alone or with friends before starting a family. Newly economically advantaged youth are also a potential market, with youth tourism accounting for 20% of the global market, which demonstrates the significance of youth tourism, for example, in Germany (Report from Bundesforum Kinder und Jugendreisen, 2008).

According to UNWTO (2012), about 115 million trips per year include children with strong interests and curiosity in wildlife, history, and culture. The same source indicates that in 2012, 40% of all leisure travelers from the US took at least one trip with their children. UNWTO forecast that from 2014 onwards over 77 million Americans will turn 65, and will have keen interest in traveling to Africa for safari and cultural oriented trips, taking with them their younger family members.

The implication is that the entrepreneurs and other stakeholders in tourism have to plan for flexible accommodation that caters for different groups to stay together. This may include single parents, families of different generations (e.g., grandparents spending time with their grandchildren), and groups of friends. Babysitting services may need to be offered for single-parent families. Entertainment may also need to be provided that meets the diverse needs of many generations. Flexible costing that can accommodate different family groups and single travelers, without supplements, will be more important (this applies to both accommodation and transport pricing). Marketing and communication also need to reflect an understanding of the requirements of these new household compositions. The central person in all this evolving change is the individual tourism entrepreneur, who is alert and ready for creative alternatives that can respond to these different needs and tastes of the tourist visitor.

Population location and migration
According to UNWTO (2013 Highlights), the so-called BRICS economies (Brazil, Russia, India, China, and South Africa) have in recent years been part of the most dynamic of global foreign exchange reserves with half of world exports in emerging markets. The BRICS bloc of states is considered an eco-
nomic giant accounting for a quarter of the world’s land area and 40% of the population, and holds over 4 trillion foreign exchange reserves in terms of USD (Gupta, 2014). The rapid economic growth of the BRICS and their demographics are expected to give rise to a large middle class, whose consumption would foster their economic development and thereby lead to expansion of the global economy. Recently in March 2013, in South Africa, the annual meeting forum of the BRICS officially announced the formation of its own New Development Bank, which seemingly would in essence create competition for both the World Bank and IMF, criticized by the BRICS nations for not giving developing nations enough voting rights (Marino, 2014). As a result of this growth, there may be an emergence of increasingly large consumer markets and tourism spending.

According to UNWTO (2011), in the BRICS countries, patterns associated with the developed world such as the growth of single persons travelling and later marriages is creating a more affluent segment. More broadly, Europe’s proportion of the global population is set to decline. UNWTO forecasts estimate that by 2030, Asia will account for 60% of the world’s population, with India and China each contributing just less than 20%. Migration is also a significant phenomenon to consider, because it makes important social and economic contributions to destination countries, culturally enriching their societies, enhancing the tourism product, and providing labor for the travel, tourism, hospitality, and catering sectors (UNWTO, 2010d). The implication with this trend is that with destinations and countries competing for visitors, there is a clear distinction between the types of market destinations now competing for established markets and those that are emerging. Understanding the different profiles within the emerging countries is crucial for effective marketing strategies, and those providing services for the sector need to have a good understanding of their different cultural needs and requirements (UNWTO with the European Travel Commission Report, 2008, 2009a, & 2009b). This requires that destinations catered for by tourism entrepreneurs adapt themselves to new markets, based on their needs, travel behaviors, and patterns.

- **Increased prosperity and attitudes towards work, leisure, and tourism**

Consumers place a high value on annual and multiple vacations in both the developed and developing world – seeing vacations as a necessity rather than a luxury (Hazel, 2005). Rising incomes and prosperity over the last 20 years have seen a propensity to take more vacations and more short-break vacations. Even during the recent credit crunch, consumers substituted domestic tourism for international travel, rather than forgo a vacation altogether.
WTO & ETA, 2008). Despite rising affluence, at a certain level people cease to feel the benefits of prosperity. Where incomes have stagnated and cost of living has increased, people are feeling dissatisfied. The implication is that the effects of the economic downturn are expected to be reflected in people’s vacation decision-making for some time to come. There is a need to cater for short breaks so that visitors can maximize their time, through offering flexible start dates and packages. Shorter booking times may be anticipated (UNWTO & ETA, 2009). There may be greater opportunities for domestic holidays, while customers may increasingly want to see value for money and time.

- **Ethical values and attitudes**
  In general terms, there is a shift in the market that demonstrates a gradual or incremental move towards ethical spending, with research indicating consumer awareness of issues such as the impact of air travel on climate change (Anable et al., 2006). This awareness is further increased by media reporting on major problems such as the threat to rainforests, pollution, global warming, coral reef bleaching, and issues like dwindling water supplies worldwide, resulting in a proportion of the world’s population living under stress conditions (Becken, 2007).

  Such reports in the media are likely to lead to increased scrutiny on the part of the consumer in destination decision-making. The implication is that there will be a growing impact from consumer-led campaigns for sustainable tourism development and for trade in tourism to be “fair” in its distribution of the rewards of tourism to destinations, particularly in developing country destinations. Although sustainability and fair trade are seen by the “South” as a “Northern” obsession, since the bulk of visitors come from the industrialized countries, it is important that destinations acknowledge and orient their policy development, and marketing process and strategies, towards the principles of sustainable tourism development. Sustainability has become a globalized theme with common concerns for all, particularly with regard to climate change. There will be a growing conflict in the minds of the traveling public between these increased socio-environmental consciousnesses versus the urge for travel consumption. Service providers need to ensure that responsible choices can be easily made, without over-burdening customers with feelings of guilt.

- **New technology**
  Technology empowers the consumer in travel-related consumption (Freedman, 2007). Acquisition of information and booking can be undertaken at any moment, from any place, and travelers rely less upon traditional sources
2.4 Trends shaping the visitor and its implications for economic growth

for guidance and information. It has also made travel planning and booking a flexible process, and changed the way people experience and rate tourism. New social media and social networking has meant that people can access information from their friends and recent visitors about destinations and products from social media sites such as Trip Advisor, Expedia, etc. Electronic technology will become all powerful in influencing destination choice and distribution, changing the way the public obtains, considers, and acts on information concerning travel and tourism products (Tnooz, 2010a; Jeng & Fesenmaier, 2002). The implication is that organizations will need to maximize their virtual presence on an ongoing basis (website usability, including usability for mobile devices, search engine optimization). Use of social media, in particular, has led to “democratization” of information, whereby visitors rely less and less on official sources of information. These new trends are related not only to the new technology and what it can facilitate but also place a greater emphasis on tourism as an experience, and encourage post-trip reflection and evaluation (Buhalis, 2003; Ho & Lee, 2007; Buhalis & Law, 2008). This can have both very positive benefits and also negative outcomes, where poor ratings are placed in the public domain. The implication is that entrepreneurs operating in the tourism sector can react to this by monitoring and responding to content on social networking sites.

- **Fragmentation of tastes**

Nowadays, tourists tend to look for a unique experience that expresses who they are. A shift towards a new experience is gaining momentum from mainstream products aimed at the wider market to more targeted experiences and products that appeal to a narrow range of interests and tastes. According to UNWTO (2001a: 27), there is a transition from a service to an experience economy, with the peaking of the service economy in such countries already achieved. The focus is switching to delivering unique experiences that personally engage the consumer, and the implication of that for tourism is the need to differentiate tourism product development and marketing, both by destination and tourism operators. Tourism appears as an experience, an engagement with the visitor, and this is critical to fulfilling expectations in order to derive meaningful experiences. The implication is that those responsible for marketing and product development need to be aware that they are not selling to a homogenous block. According to Walker (2010), for success in tourism service operations, there is a need for more focus on the guest, more emphasize on high-touch instead of just high-tech. Those organizations that

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focus on quality become the leaders for ongoing guest satisfaction, creating loyalty and influencing future behavioral intentions (Jonsson & Devonish, 2009). A figure showing examples of tailored niche products and experiences, which allow consumers to express themselves as individuals, is shown in figure 13 below. One advantage of niche experiences and products is that they have the potential to yield higher profit margins and present opportunities for greater levels of satisfaction (UNWTO, 2011: 27). With the demand for niche tourism steadily growing at home and abroad, tourism entrepreneurs and policy-makers, especially on the African continent in general, and Rwanda in particular, need to be prepared to take full advantage of new and emerging opportunities that are diversifying the local tourism industry.

![Niche tourism diagram]

**Figure 13**
Examples of Niche tourism products and experience
Source: Sustainable Tourism Policy and Practices (UNWTO, 2010).

On the basis of all this, it will be challenging for players in tourism to develop and cater for the needs of the visitor, since this will involve flexibility, ingenuity, and creativity that allow personalization and customization in order to develop cultural cachet and uniqueness, and to offer experiences at a range of levels of respective expectations in view of the trends shaping purchaser-visitor behavior and associated fragmented tastes.
Tourism in Africa is proving its importance as a vehicle for economic growth in that it is one of the biggest employers and foreign exchange earners. Thus, increasing attention is being accorded to tourism development as a strategy to stimulate economic growth. According to WTTC (2013), the tourism sector is strategically located within the economic mainstream, since it links easily with other sectors of the economy. This is a real advantage, since the tourist product is consumed at the destination, which offers the host country opportunities in job creation, skills development, and economic growth. To this end, Eilat and Einav (2003: 1) state that tourism is “profoundly” important for economic development through its effects on employment, exports, stimulation of infrastructure provision, generation of tax income, and by promoting world peace. Kester (2003: 203) adds that tourism has the potential to contribute significantly to economic growth and development in Africa. With its huge diversity, its rich supply of natural resources, and its wealth of wildlife and cultural heritage, Africa remains a very attractive destination for international tourism (Okech, 2010: 1). Christie and Crompton (2001: 1) describe Africa’s potential for tourism as “exceptional,” recognizing that “Africa has a lot to offer that can no longer be found elsewhere. Africa holds sympathy and certain romanticism as the continent of the explorers and as a place for adventurers. There are unique places, some of the greatest views in the world and natural attractions that few other regions can match. This is true not only for its natural resources, but also for its culture, traditions and customs.” According to Christie and Crompton (2001), the tourism sector is already a growing contributor to GDP and exports in more than half of all African countries. In particular, since the early 1990s there has been a significant growth in tourist arrivals in Africa (Chen & Devereux, 1999: 209).

Tourism in Africa is not at the heart of the global tourist market; however, this 5% modest proportion of market share of the world’s number one industry is still important for the continent. Though tourists’ choice of international destination is often fickle and fleeting, a clear pattern has emerged for Africa: just one third of tourists go to the Maghreb countries, over a third to Southern Africa, almost a quarter to East Africa, and the remainder are spread over the rest of the continent, but mainly West Africa (Beek, 2008). In addition, although the World Tourism Organization’s “Tourism 2020 Vision” recognizes that the tourism potential of African countries is significant, it stresses that there exist serious obstacles that need to be addressed if this potential is to be realized. Tourism can provide an economic base for a region embedded with cultural and natural resources, whether coastal, moun-
tain, or wildlife, or a combination of these. More work still needs to be done in the areas of ownership and control of tourism-related businesses (money still flows to outside the African continent), distribution of tourism benefits, and the development of tourism-related skills and entrepreneurship among local tour operators and local communities if tourism in Africa expects to flourish (Saayman, 2004: 2). This statement shows that there is still a lot to do to improve on Africa’s market share of international tourism, especially in the area of education and training, and infrastructure development in order to cope with the trends of customers, new technologies, new forms of production, and new ways of management, which positively impact tourism industry operations (Poon, 1993; Wall, 2001). Fayos-Sola (1996) suggested that the tourism sector needed to implement entrepreneurship through “systematic innovation” based upon a combination of environmental scanning and opportunity analysis. In light of these changes in the tourism industry, one would predict both challenges and opportunities for policy-makers and entrepreneurs. The need for re-skilling and re-educating the workforce to cope specifically with international tourism trends and the globalization-localization divide market of the tourism industry is of capital importance.

According to Cater and Goodall (1992), and De Villiers (1996), tourists are increasingly becoming more experienced, more educated, more “green,” more flexible, more independent, more quality-conscious and “harder to please” than ever before. Due to the extensive use of new technologies, tourists know what they want and where they want to go. The tourism sector in Africa may gain more by being customer focused and by continuing to change by creating new products and adopting these new trends of the tourism market, since entrepreneurs within tourism also depend on major tourism developments. It is my assumption that fostering tourism entrepreneurship would enhance rapid job creation, GDP growth, and long-term productivity, and hence create an upward shift in the world market share of tourism receipts in Africa. To this end, governments and entrepreneurs in the private sector on the African continent would benefit more by striving to create and harness the legal and business environment in which tourism entrepreneurship can flourish and cater for these new trends in the tourism market. Tourism as a multi-faceted activity, along with its related economic dimensions, cannot occur without the input of tourism entrepreneurs. For this reason, it is important to understand the visitor’s needs, to manage the growth of the tourism sector, and to have clear policies and strategies to ensure that tourism remains a major contributor to African economic growth.
2.5 Overview of the tourism business in Africa: constraints and perspectives

2.5.1 Current constraints on tourism development in Africa

According to the World Bank (Africa Tourism Report 2013), in today’s globalized market, every tourism product competes with every other at its price point. The same report adds that, although the prime decision-maker is the individual traveler, as seen in the previous section, the size of the flow of tourists to a particular destination is, to a considerable extent, determined by the tour operators, travel agents, and transport services in the countries of tourist origin. Destinations can influence these external industry managers through effective and continuing promotion, and marketing campaigns, but may be successful only if there is a high-quality product to sell that is competitive in value and experience, not just in price. According to Fayed (2002), if Africa is to be successful in competing in the international tourism market, quality standards are the password to reach destinations, particularly quality diversified products and services, as well as infrastructure. The improvement may pass through government’s empowerment of all the stakeholders at the heart of tourism development, among others, tourism entrepreneurs, the local community at destinations, as well as empowering workers within the tourism industry.

The formulation of air policies and ground transportation that attract quality and greater traffic is also critical. For this to happen, long-term financing of the required investments in the sector is critical. In order to mitigate those constraints, the government’s policies, procedures, and institutional legal framework may facilitate the acquisition, use, and disposal of such assets efficiently. Economic policies and the availability of financing can expedite or slow down the entrepreneur’s or manager’s ability to use the resources at his/her disposal effectively. But, the effectiveness and efficiency of government procedures and processes are also central to increasing productivity in enterprises. In that way, government should therefore reduce red tape by establishing clear, predictable “rules of the game,” and create a business environment, in which a responsible private enterprise can thrive. According to UNEP report (2005), most of the impact of tourism is the result of actions taken by private sector enterprises and by tourists themselves. There is a clear need for governments to play a leading role if truly significant progress is to be achieved in making tourism more sustainable for the following reasons:

- The tourism industry is very fragmented. It is difficult for the individual actions of many micro and small businesses to make a positive difference; coordination is required.
Sustainability relates to areas of public concern – air, water, natural and cultural heritage, and the quality of life. Many of the relevant resources are managed by governments.

Governments have many of the tools that can be used to make a difference – such as the power to make regulations and offer economic incentives; they own resources and institutions to promote and disseminate good practice.

All of this points to the fact that it is governments that can provide the environment to enable and encourage the private sector, tourists, and other stakeholders to respond to sustainability issues. This can best be achieved by establishing and implementing a set of policies for tourism development and management, drawn up in concert with others. The private sector will respond to the environment it finds – the greater the business confidence, the higher the investment is likely to be. Conversely, a weak business environment may spawn low investment or enclave investment that discourages participation by local populations, a common complaint about tourism.

The role of the government in enacting appropriate policies that can facilitate the population at large and entrepreneurs particularly is of capital importance for understanding the ways entrepreneurialism can help improve the economy and welfare in the tourism destination. In addition, the creation of a shared vision and an understanding of the trends shaping the tourist among key players promote high standards of ethics and conduct, and catalyze government, the industry, and civil society’s efforts towards its attainment. A need for a mix of development assistance to help address these issues would benefit a range of economic activities and the private sector investment required to enable African destinations to compete in the international tourism arena. It is my assumption that the combination of policy improvements in areas that still constrain further tourism development and the improved involvement of tourism entrepreneurs and other local community bodies, coupled with the catalytic nature of tourism, would have a strong impetus on economic growth. The major constraints within the tourism and travel sector that impede such growth in African continent will be discussed below.

**Air transport**

According to the World Bank Africa Report (2013), air distribution channels that deliver tourists to and from the region constitute the main restriction on the flow of tourists to Africa, with the chief issues being:
2.5 Overview of the tourism business in Africa: constraints and perspectives

- Weak bargaining power on the part of governments to open routes for national airlines because of the small size of the fleet and their reluctance to enter into an open-skies policy.
- The power of tourism distributors to control the direction of tourism demand, airline seat availability, and, to an extent that varies by destination, the price of the airline seat and hotel room, and, frequently, the cost of the total end product price.
- The airlines hub-spoke system of passenger delivery improves aircraft utilization and airline load factors, but can adversely affect the numbers of through-passengers able to travel on to hotels in destinations located beyond a major destination spoke.
- Insular African air transport systems comprise a collection of national and regional airlines operating both inter- and intra-regionally. Each of these systems has different characteristics in terms of route structure, average spoke length, numbers of carriers operating, type and passenger capacity of aircraft in use, and the number and runway length of airports served.

Fatocun (2005) opines that the high cost of airfares to Africa will limit the pool of middle to lower-income tourists able to afford a holiday in Africa, at least until there is greater competition between airlines and more flexibility in the types of air packages offered.

- **Lack of a Critical Tourist Mass**
  According to Christie (2001), current air policies constrain both the types of tourists that are able to visit Africa as well as the volume that would make investments in social and physical infrastructure more cost effective. The World Bank Africa Report (2013) states that increased regional and domestic tourism may boost the number of tourists required for economic viability of the tourism sector. There are two quite different forms of regional tourism: first, tourists from neighboring countries visit a regional destination and, second, destinations in neighboring countries are jointly marketed and promoted to attract a greater volume of tourists than might visit a single destination in the region. In the first sense, both regional and domestic tourism can boost occupancy rates, iron out seasonal fluctuations generated by events in countries of foreign tourist origin, and sustain lower-category hotels.

- **Infrastructure**
  Tourism is far more dependent on infrastructure than most economic activities (Foster & Briceno-Garmendia, 2010). Christie, Fernandez, and colleagues (2014) add that, unlike other activities, the absence of any infrastructure ser-
vice can seriously harm the marketability of the tourism product. Access to
the country, and specifically to the destination, are as important to the client
as the availability of water and power at the destination. If sewage and solid
waste management systems are not adequate, ultimately the quality and re-
source base of the asset will be damaged. Increasingly, telecommunications
are vital to the marketing, promotion, and sale of the tourist accommodation,
and to meet the demands for entertainment or the business needs of visitors.
As suggested earlier, there is need for a critical tourism facility to attract ade-
equate air services and reduce promotion costs. Once such a critical mass of
facilities is addressed, the provision of public infrastructure services is more
cost-effective. As a matter of equity and social inclusion, such infrastructure
may also be extended to communities in the immediate tourism area, prob-
ably with differential pricing. Besides improving the quality of life for local
communities in the area, tourism infrastructure also benefits other econom-
ic activities (Christie, Fernandez, et al., 2014).

- **Institutional Strengthening and Knowledge Management**

The right institutional framework is a key component of a successful tourism
sector (Christie, Fernandez, et al., 2014). The researchers suggest also that
there is need for a team of people capable of planning for the sector, based on
sound information and a good understanding of the issues and complexities
at the central government level, in order to enlist support and input from
other technical ministries, and to foster close collaboration with the private
sector for promotion and marketing of the tourism sector. Public-private
partnerships are essential in tourism. The capital that valorizes the tourism
assets stems from the private sector, but the private sector cannot operate
efficiently, as stressed above, without considerable government support for
this cross-sectorial service export. One of the most frequently adopted meas-
ures to achieve a common vision or strategy for the sector is the creation of a
high-level consultative forum, which has the support of the highest political
authority, and where government and the private sector (e.g., the managers of
hotels, restaurant and services associations, and other stakeholders, such as
community leaders and NGOs) are represented. According to Ashley (2006),
such alliances can legitimate voices in the policy formulation process, since
key players will feel they have a stakes in the industry’s progress. In all cases,
the strength of the partnership between government and the private sector
determines the effectiveness of the institution in terms of being responsive to
market changes, which is an essential ingredient to maintain tourism growth.
Tourism sector managers also play a big role in maintaining accurate records
of the country and region of origin of tourists, length of visitor stay, preferred
destinations and activities, means of travel to the country and within it, pre-
2.5 Overview of the tourism business in Africa: constraints and perspectives

ferred type of accommodation, and average expenditure within and outside the accommodation (Christie, Fernandez, et al., 2014). To inform policy and decision-makers accurately about the sector, satellite tourism accounts are necessary for countries where tourism is a significant economic activity.

- **Promotion and Marketing**
  To influence tour operators and potential tourists, it is important that countries promote and market their country using ever more sophisticated tools (Christie, Fernandez, et al., 2014). National organizations have an unprecedented opportunity to reach new tourists via the Internet without, however, abandoning traditional promotional and marketing techniques. According to Christie, Fernandez, and colleagues (2014), in many countries, the public and private sectors join forces to undertake such programs. The government allocates budgetary funds for the promotion of the country and its main tourist areas in order to create an overall image of the country and its tourism assets. The private sector promotes specific tourist accommodation and services within the country. Promotion and marketing programs for major tourist destinations are undertaken by specialized firms that know how to target their activities in the best interest of the country as a whole. In most cases, as noted by the World Bank Africa Report (2013), the absence of promotion and marketing by African governments puts African destinations at a disadvantage in the competitive international tourism market, given the incessantly negative press reports about Africa today.

- **Capacity Building and Manpower Development**
  According to Ashley (2006), effective capacity building and manpower development are essential to the success of any industry. Managers need to learn how to manage tourism and keep abreast of activities by their competitors. If there is a sufficient body of local expertise in the sector, professional and business associations can help to transmit knowledge and experience so as to raise standards in the sector. Local entrepreneurs and selected staff may require specialized, short-term training, which may be accomplished by a paid association with a successful enterprise in a more developed tourism sector (World Bank, Africa Report, 2013).

  A travel and tourism sector nowadays also requires services in transport, banking, and telecommunications, all of which have grown increasingly and will require local staff able to operate these services. Foreign visitors require modern medical services to be available at the destination. The international competitiveness of the tourism sector requires the staff of hotels to be trained to be efficient in their specific jobs, as well as pleasant and knowledgeable in their interaction with tourists. Most private sector organizations
would expect to train staff in-house as part of their investment, but they require a certain level of basic education in their trainees (Goeldner & Ritchie, 2009).

If local communities are to participate actively in the decision-making process concerning the development of tourism in their communities and to benefit from that development, trainers and facilitators may be needed. To maximize the return on this training, there is need for training a few key local people who will become trainers themselves. In a country with a growing tourism sector, these overall requirements provide the government with manpower targets for educational, vocational, and technical and professional training programs (Goeldner & Ritchie, 2009). These requirements may also serve as one important point for international development assistance to the tourism sector (World Bank Africa Report, 2013).

2.6 Tourism panorama in Rwanda and its impact on the national economy

2.6.1 Geographic and demographic data

Rwanda is a landlocked country geographically situated in central Africa, literally known as “the land of a thousand hills.” Rwanda is bordered by Uganda to the north, Tanzania to the east, Burundi to the south, and the Democratic Republic of the Congo to the west. The country lies at a latitude of between 1° and 3° south and at a longitude of between 29° and 31° east. It has a total area of 26,338 square kilometers.

The population of Rwanda is approximately 12.1 million people of whom 83% are engaged in the agricultural sector and rely mainly on subsistence farming (NISR, 2012).

According to NISR (2012), Rwanda is one of the most densely populated countries in Africa, and land is perhaps Rwanda’s scarcest resource. Rwanda’s demographic reality carries risks and pressures for the Rwandan economy. Current population density in Rwanda stands at 416 people per square km. The National Institute of Statistics (2014) estimates that the population growth stands at 2.63%, with a birth rate of 34.61/1000 population, and a death rate of 9.18/1000 population. The population of Rwanda is young given that 42.1% are in the range of 0-14 years; 18.9% are in the range of 15-24 years; 32.5% are in the range of 25-54 years; and 6.5% are above 55 years. The urban population stands at 19.1%, and the average rate of urbanization is 4.5% per annum. This requires a transformation of economic structures to
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spur the movement of people away from scarce agricultural land into higher productivity, non-agricultural activities that provide jobs and facilitate the movement of people to urban areas (EDPR 2: 28).

The catastrophic 1990-1994 war, which culminated in the 1994 Genocide against the Tutsi population, decimated a fragile economic base and badly affected the livelihood of the population (Leegwater, 2015: 3). According to Straus (2006: 1), the genocide was notorious for its cruelty, thorough organization, mass participation, and speed. It was deliberate and systematic, a state-led attempt to exterminate the country’s Tutsi population, and can be regarded as “the twentieth century’s most rapid extermination campaign.” Within 100 days, around one million people, mostly Tutsi, were killed. The image of the country was damaged, which in turn impacted on both private and external investments.

After 1994, the country was faced with the task of reforming its economy and returning Rwanda’s social fabric to normal. This reform effort has subsequently brought about a surge of growth during the last twenty years, par-
particularly in the tourism sector, which has currently taken the lead as a foreign earner income since 2008 (RDB, 2009). Eradication of poverty nonetheless remains the government’s main economic objective, and its main challenge is to stimulate new sources of poverty-reduction. More significantly, the persistent lack of economic diversification keeps the country vulnerable due to market fluctuations. While the development of the primary agricultural sector, as well as that of manufacturing and other service industries, is badly needed, it is assumed that the tourism industry could have greater potential impact, given Rwanda’s current safety and security, travel infrastructure, and several potential tourist sites and other attractions.

2.6.2 Political context

Between the late nineteenth century and the 1960s, Rwanda was governed first as a Germany colony and then later mandated to Belgium. In 1962, Rwanda became an independent republic under the leadership of President Gregoire Kayibanda. In 1973, a new government led by Major General Juvenal Habyarimana came about in a coup d’état. The Rwanda Patriotic Front (RPF) began seeking political reforms in 1990, although tensions were resolved by a peace agreement mediated by the international community and signed in Arusha, Tanzania, in August 1993. The Arusha Accords provided for the formation of a government of national unity and the integration of the two armies. In April of 1994, Major General Habyarimana died in a plane crash, sparking a wave of violence. After ending the genocide, the RPF formed a national unity government under President Pastor Bizimungu, culminating in the three-month long genocide.

Since 1994, the new government of Rwanda has embraced a comprehensive vision of reconciliation, institution building, and democratization. It has instituted key development goals for the country’s socioeconomic conditions and drafted clear roadmaps for their achievement.

In 2003, Rwanda adopted a constitution endorsed by a large majority in a referendum. The constitution was recently revised in 2015, allowing for the continuity of a favorable economic environment in the foreseeable future.

2.6.3 Recent economic developments

According to UNDP 2015 Report for Rwanda, real GDP was 7.0% in 2014 compared to 4.7% in 2013. The services and agriculture sectors led growth during this period, growing at 9.0% and 5.0%, respectively. Trade, transport, and information and communication were the leading growth drivers in the services sector, which accounts for the largest share of GDP. Recovery in the
private sector propelled growth and supported the expansion in the services sector in general, and trade and transport in particular. The agriculture sector grew by 5.0% in 2014, up from 3.0% in 2013. Livestock products, as well as food crops, were the leading contributors to agriculture sector growth. Export crops posted lower growth due to the reduction in coffee production and tea prices. Sustained investments in areas such as irrigation, cash crop development – which aims to increase coffee, tea, and horticulture acreage – post-harvest management, and agro-processing are expected to improve agricultural productivity (UNDP, 2015).

However, mining, quarrying, electricity production, and construction continued to lead industrial growth in 2014. Measures to improve efficiency in the mining sector are expected to support growth in the medium term (EDPRS 2, 2013-2018).

Formal exports (Free-on-Board) increased by 4.7% to USD 599.8 million in 2014. The strong growth in re-exports – which comprise transit goods destined for other countries in the region – and exports such as agriculture products, and intermediate and manufactured goods was weakened by negative growth in earnings from tea, coltan, and wolfram due to lower prices. Tea, coltan, and wolfram accounted for 55.4% of the main exports in 2014, which, in turn, accounted for 55.2% of total exports. The corresponding shares in 2013 were 61.8% and 62.1%, respectively.

Formal imports (Cost, Insurance, Freight) in 2014 increased 6.8% to USD 2.4 billion, with reduced imports in energy and lubricants being offset by growth in consumer, capital, and intermediary goods. Lower international oil prices reduced the cost of imports in energy and lubricants, while expansion in the construction sub-sector and an improved economic outlook contributed to growth in capital and intermediary goods imports.

Tourism and remittances remain strong foreign exchange earners. Tourism earnings have continued to grow, increasing from USD 281.8 million in 2012 to USD 293.6 million in 2013, and to an estimated USD 303.7 million in 2014. Remittance inflows recovered in 2014, increasing to an estimated USD 174.9 million from USD 161.8 million in 2013, but they remain below the USD 175.3 million recorded in 2012.

The overall balance of payments decreased from a surplus of 3.9% of GDP in 2013 to an estimated deficit of 3.2% in 2014. This is due to a reduction in the capital and financial account balance, in part due to a decrease in public sector capital, reflecting the delayed implementation of strategic energy, road transport, and service sector investments. Foreign Direct Investments rose an estimated USD 9 million to USD 159 million in 2014, indicating a recovery to 2012 levels.
The economic outlook remains positive. However, two key downside risks remain. First, Rwanda’s agriculture remains vulnerable to weather fluctuations. Second, weaknesses in the global economy and the reduction in commodity prices, particularly for tea and minerals, will negatively affect export earnings. Sustained investments in the agriculture sector, including in areas such as irrigation, and on-going efforts to diversify and grow the export base will mitigate these downside risks. Real GDP growth is projected to increase from 7.0% in 2014 to 7.5% in 2015, and 7.5% in 2016 (MINECOFIN, 2015). The World Bank Report, Doing Business 2015, shows that Rwanda is the third easiest place to do business in Africa in spite of ranking 46 out of 189 countries in 2014, and 32 out of 189 countries in 2013.

Moreover, Doing Business 2015 indicates that reforms implemented by Rwanda during the past ten years have yielded several gains, including an estimated USD 5 million in cost savings for the private sector, investments of USD 45 million, and an estimated 15,000 jobs.

### 2.6.4 The tourism sector’s development in Rwanda

The tourism sector in Rwanda is still in its early stages of development, having taken off in the 1970s. There are many tourism attractions that have been identified in Rwanda but little has been done to develop this sector, which has a great deal of potential for improving the Rwandan base economy (Ntibanyurwa, 2008). Major attractions that have been identified include: Volcano National Park, home of the mountain gorilla; Akagera National Park with its “Big Five,” together with a full range of mammals commonly associated with East and Southern African game parks; Nyungwe Forest National Park, the largest single contiguous forest of its type remaining in East and Central Africa; and five volcanoes and twenty-three lakes and numerous rivers, some forming the source of the river Nile. Rwanda has cultural and historical sites, such as Nyanza and its King’s Palace, and the National Museum in Butare, which offers, in particular, a comprehensive collection of exhibits on Rwandan history and culture (RIPA/AIPA, 2002, vol. 2). In addition to this, the majority of people coming to Rwanda visit genocide memorial sites built in different parts of the country.

The country also has a temperate climate and offers a variety of tourist activities like biking, trekking, mountain biking, and shopping facilities. The country has a variety of green, hilly landscapes, dominated to the north by volcanoes and bordered by Lake Kivu to the west. Volcanoes National Park is world famous for mountain gorillas, teeming with wildlife both large and small, while Lake Kivu to the west offers beautiful beaches, jutting peninsulas, and an archipelago of islands (Grospietsch, 2004: 3).
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The “land of a thousand hills” offers tourists a chance to visit the home of one third of the world’s remaining mountain gorillas, one third of Africa’s birds for bird watching, several species of primates, volcanoes, game reserves, resorts and islands on expansive Lake Kivu, graceful dancers, artistic crafts, and friendly people. According to Grospietsch (2004: 4), “Rwanda is a thriving, safe country with one of the lowest crime rates in Africa. All major attractions are located within 1-5 hour drive from the capital, Kigali. On a short vacation, a tourist can reach volcanoes, rainforests, savannah, lakes, and tour the beautiful and clean city of Kigali.” The land is a very precious natural resource, the need for which often overrides other development initiatives (World Wildlife Fund, 2002). These tourism attractions in Rwanda create jobs and generate income for numbers of Rwandans.

Rwanda has many tourist attractions with enormous economic potential, which are not yet fully promoted and exploited, to expand its base economy and accelerate its growth. It has the potential for employing many people and for generating income for many households. It can stimulate economic growth through its value chains sectorial linkages and foreign earnings. On this basis, tourism has been prioritized by the government of Rwanda as a key service driver for future growth, economic diversification, and development (Government of Rwanda, 2010; Tourism Master Plan, 2010). In particular, the Rwandan policy on tourism is centered on tourism promotion, on improvement of tourist sites, on development of tourist infrastructure, as well as development of entrepreneurship spirit and quality standards in the hotel and hospitality industry (Tourism Policy, 2009: 5-6).

After 1994, the country was faced with the task of reforming its economy and returning Rwanda’s social fabric to normal. This reform effort has subsequently brought about a surge of growth during the last twenty years, particularly in the tourism sector, which has currently taken the lead as a foreign income earner since 2008 (RDB, 2009). Poverty eradication nonetheless remains the government’s main economic objective, and its main challenge is to stimulate new sources of poverty reduction. More significantly, the persistent lack of economic diversification keeps the country vulnerable due to market fluctuations. While the development of the primary agricultural sector, as well as that of manufacturing and other service industries, is needed, it is assumed that the tourism industry could have a greater potential impact, given Rwanda’s current safety and security, travel infrastructure, and several potential tourist sites, and other fascinating attractions. Rwanda’s history, its distinct culture, and varied natural attractions come together to form a unique experience for any type of tourist. Over the last twenty years in particular, the country has transformed itself into an interesting destination with rich experiences for any visitor. Booth and Briggs (2004:4) describe it as
“a vibrant [...] safe and energetic nation, well able to tackle the demands of the 21st century and to welcome tourists.” Rwanda’s tourism has mainly been based on its natural endowments, which coincide with nature conservation and preservation efforts (Grospietsch, 2004: 8).

However, owing to the lack of any records or consistent data, an issue described by Jerven (2013) as a major deficiency, particularly on the African continent, Rwanda included, there is limited historical information on the growth, impact, and development of Rwanda’s tourism industry. Booth and Briggs (2004) point out that tourism’s origins go back to the early twentieth century, when Rwanda’s varied flora and fauna, diverse primates, and, in particular, its rare mountain gorillas began to attract the attention of several visitors, including naturalists, scientists, and zoologists. In 1925, the Albert National Park was established, and subsequently renamed Volcanoes National Park after political independence in 1962. Located within the Virunga Volcanoes mountain chain, it has been the focus of many studies of mountain gorillas (ibid.). At the time of independence, the gorillas were already well known internationally and, despite the problem of overpopulation, Rwanda’s new leadership vowed to maintain the park for tourists and researchers. According to the Rwandan Office of Tourism and National Parks (ORTPN), several projects and studies were carried out over the years by various organizations to promote conservation mainly in this park. The work of the zoologist Dian Fossey from 1967 onward made the gorillas of Rwanda internationally renowned. According to Booth and Briggs (2004: 178), her life, as depicted in her book “Gorillas in the Mist,” on which the 1988 film was based, drew global attention to the plight of the mountain gorilla and generated unprecedented interest in the gorilla tourism program.

In the 1970s and early 1980s, only a small number of international tourists visited Rwanda. Most tourists visited Akagera National Park, which was a government owned, high-end destination, mostly used for hunting. Only a very limited number of tourists visited the gorillas. Tourism was not a national priority and was not seen as a tool to reduce poverty. The first hotel, the Hôtel des Mille Collines, was built in 1973 and the ORTPN was created in 1974. No tour operators existed in the 1970s and 1980s. The sector was dominated by the government, which owned all hotels except Hôtel des Mille Collines. Tourism numbers started to increase notably in the 1980s (see figure 14). As shown in the same figure, the year 1984 was recorded as the peak of international tourism in Rwanda, when the number of tourist arrivals reached a total of 39,000 persons (OTF Group, 2005b: 1). Between 1983 and 1988 Rwanda’s annual international tourist numbers stabilized around an average of 35,000 visitors. The devastation caused by the 1990-1994 war, and
subsequent 1994 Genocide, to the country’s tourism economy is very crucial, and only since 2000 has the trajectory of international tourism arrivals once again been positive. The most recent data suggests that international visitor arrivals reached 20,000 in 2004, a level that is almost half of the numbers recorded in 1984 (Mazimpaka, 2006). From that year, the numbers have risen to reach 67,871 visitors in 2014 (RDB statistics, 2014).

While the largest share of local and foreign tourists still visited Akagera National Park, the first official mountain gorilla tourism program was launched in 1979, leading to continuously increasing visitor numbers in Volcanoes National Park, peaking at 6900 in 1989. Due to the outbreak of the war, this trend was brought to an abrupt end, and tourist numbers plummeted. For almost 30 years, Rwanda’s most recognizable tourism asset has been its mountain gorillas. Of only 700 left in the world, Rwanda is home to about one third (ORTPN, 2005a). Williamson (2001) adds that the gorilla has even become a national symbol, with images of the animal being used on bank notes and Rwandan tea bags by national companies and organizations, hence, contributing to the positive image of Rwanda and acting as ambassadors on the international scene by raising the profile of the country (ORTPN, 2005a). For the last twenty-one years, gorillas have played an essential role in contributing to revenue generation. Shackley (1995: 68) observed that in the early 1990s gorilla tourism contributed an estimated 75% of all national tourism.
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revenue. By 2004, dependence on gorilla tourism had increased to 93% of tourism income (ORTPN, 2005b: 3). Gorilla tourism has contributed significantly to both the national and local economy of Rwanda, and, prior to 1990, gorilla tourism was the third largest source of foreign income for Rwanda (GRASP, 2002: 2). Fine (1995) also emphasizes this point, stating that before the war, with few other options, this form of tourism was a way of garnering much-needed foreign currency. To this day (2015), gorillas constitute a major source of tourism revenues, since they contribute to improving the country’s image by attracting increased numbers of international tourists, who play the biggest role in tourism growth.

Figure 15
Park revenues comparison (2013 vs. 2014)
Source: Own compilation from RDB statistics (2014).

Virunga National Park, combining Virunga volcanoes and mountain gorillas, is Rwanda’s most unique tourist attraction. Since 2003, the gorilla trekking experience has improved enormously. The price of gorilla trekking permits, limited to 54 people per day from 2003 up to 64 in 2009 and to 80 in 2012, had increased from USD 250 to USD 500 from 2009 to June 2012, and from USD 750 in June 2012 up until today with a limit of 80 people of 10 groups per day.35

From figure 16, it is important to note that tourist activity decreased significantly in the early 1990s war, which culminated into the 1994 Genocide, during which political, military, and militia extremist supporters decided at this point to activate a well-planned extermination of Tutsi (Adelman et al., 1996). Tourism activities did not resume well until 2003, when a good level of safety and security was reached, albeit with help from a guilty international community that had ignored the country in its darkest time of the 1994 Gen-

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Visiting Kigali and other parts of the country today, it is hard to believe the horror that visited this land in 1994. As shown by the figure, gorilla visits, providing most of the tourism revenue, dropped in 1994, and again between 1997 and 1999, when the park had to be closed for some time due to the insecurity in the park caused by militia and military groups from the DRC. Park visits picked up again after 2002, reaching 67,871 visitors in 2014, up from only 61 visitors in 1994. These figures demonstrate an impressive growth rate, if compared to the 6900 visitors in 1989, before the outbreak of the war (see Figure 16).

The majority of Rwanda’s natural attractions are located within its three national parks. These are Volcanoes National Park in the northwest, where gorillas can be viewed in their natural habitat; in the southwest, Nyungwe National Park, a tropical forest, which offers good opportunities for canopy walk, hiking, and birdwatching; and the Akagera National Park in the north east, which offers safaris, a variety of wildlife, and beautiful scenery. The three national parks have been the industry’s and the country’s biggest attractions thus far. Volcanoes National Park is Rwanda’s most popular destination, particularly for international tourists. Virunga National Park is home to five of the eight volcanoes of the Virunga Mountains (Karisimbi, Bisoke, Muhabura, Gahinga, and Sabyinyo), which are covered in rainforest and bamboo. Near Volcanoes National Park are the “seldom visited,” but beautiful lakes Burera, Ruhondo, and Karago (ORTPN, 2005a). The RDB runs several activities for tourists, including gorilla visits — as of 2012, there are ten regular groups open to tourists, allowing for a total of 80 permits per day. The majority of revenue from tourism goes towards maintaining the park and conserving the wildlife. The remainder goes to the government and 5% to

Figure 16
National park visits 1974-2014
local projects to help local people benefit from the large revenue stream generated by the park. The baby gorilla naming ceremony takes place every year. For the sports enthusiast, there are a number of hiking trails in the Virunga Mountains, where there is cycling, boating on the twin lakes, or even fishing. Mountain climbing activities are also available (RDB T&C, 2011).

Nyungwe Rainforest is another national park located in southwestern Rwanda, at the border with Burundi, and Lake Kivu and the Democratic Republic of the Congo to the west. Nyungwe Rainforest is probably the best-preserved rainforest in the mountains anywhere in Central Africa. It is located in the watershed between the basin of the Congo River to the west and the basin of the Nile River to the east. From the east side of the Nyungwe Rainforest, one of the source branches of the Nile begins. Nyungwe Forest National Park was established in 2004 and covers an area of approximately 970 km² of rainforest, bamboo, grassland, swamps, and bogs. It has a wide diversity of animal species, making it a priority for conservation in Africa. The forest is situated in a region where several large-scale bio-geographical zones meet, and the variety of terrestrial biomes provide a great span of microhabitats for many different species of plants and animals. The park contains 13 different primate species, 275 bird species, 1068 plant species, 85 mammal species, 32 amphibian and 38 reptile species (RDB T&C, 2012). Many of these animals are restricted-range species that are only found in eco region forests in Africa.\(^{36}\)

The third national park is Akagera National Park. It was founded in 1934 to protect animals and vegetation in three eco regions: savannah, mountain, and swamp. The park is named for the Kagera River that flows along its eastern boundary feeding into several lakes, the largest of which is Lake Ihema. The complex system of lakes and linking papyrus swamps makes up over one-third of the park, with a diverse and beautiful scenic landscape (RDB T&C, 2010).

In 2009, the RDB and the African Parks Network\(^ {37}\) entered into a 20-year renewable agreement for the joint management of Akagera. Over the next five years, a USD 10 million expenditure is planned for Akagera, including the construction of a 120 km western boundary fence and the reintroduction of

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\(^{37}\) African Parks Network is a non-profit organization that started in the Netherlands and is currently based in South Africa, responsible for the rehabilitation and long-term management of national parks in partnership with governments and local communities. Retrieved from https://www.africanparks.eu/ on October 8, 2015.
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Lions, which occurred on June 15, 2015, and black rhino, which will restore Akagera’s “Big 5” status. Large herds of buffalo, giraffe, and zebra move across the savannah; lucky visitors might catch a glimpse of elephants emerging from the woodland to drink at the lakes. Akagera is home to more than a dozen types of antelope, most commonly the handsome impala, but also oribi and bushbuck, as well as the ungainly topi, the rare roan, and the world’s largest antelope, the cape eland. Leopard and hyena might be seen on a night drive, as well as other secretive creatures of the night. Hippo and crocodile are almost guaranteed on a boat trip in Akagera’s largest lake, Ihema. Lining the lakes are some of the continent’s densest concentrations of water birds, and, with a species list of 525, Akagera is a birder’s paradise. Camping alongside the picturesque lakes of Akagera, or atop Muyumbu Ridge overlooking the lakes and Tanzania in the distance, one can see Akagera’s true diversity.

Developing a more diverse industry has been a recent occurrence, based on the need for the country not only to create a name for itself in the international tourism market but also to open space for a more diverse group of visitors to the country (Tourism Policy, 2009: 3). The three national parks of Rwanda are protected ecosystems and wildlife reserves located within the borders of Rwanda in east central Africa.

Recent innovations in the tourism industry, such as the canopy tours at Nyungwe National Park, have helped to ratchet up revenue from foreign tourists, effectively reversing the decline experienced in 2009. The introduction of bird watching, improvement in air transport with new airlines, and the expansion of Rwandair to new destinations such as Dubai, Congo, Ghana, Nigeria, and Zambia has also helped bring in more tourists. The country benefitted from major investments in hotels and restaurants during the first half of 2011, and new products were launched in Nyungwe in 2010, as well as the 5-star hotel known as Nyungwe Forest Lodge, which has doubled the figures for the park (RDB, 2011). New bird-routes have been also added in order to promote bird watching as a new tourism product, as well as the Convention Bureau, inaugurated in May 2014, to promote MICE (meeting, incentives, conferences, and events). Foreigners are showing a great deal of interest in visiting national tourist sites; foreign tourists now account for 69% of the visits, compared with 22% by Rwanda nationals, while foreign residents accounted for 9% of the visits in 2010. To encourage Rwandans to visit, authorities are charging reduced rates for locals visiting national parks. This shows the priority that policy-makers accord to domestic tourism and its po-

tential value to the economy. Even though this effort has been implemented, more effort is needed to encourage more domestic tourists to visit the tourist attractions in Rwanda, especially the national parks, through investment diversification, especially in the small and medium-sized tourism facilities that cater for nationals with low revenue.

With Rwanda joining the East African Community, it is now possible for more visitors from Kenya and Uganda to enter the country with their national identity cards, and for foreigners to use one single visa for all the three countries. For all Africans, visiting Rwanda does not require a prior visa. These improvements that have been achieved over the last twenty years have contributed to making Rwanda more visible at an international level as a top tourist destination. Rwanda was recently appointed as the first country in East, Central, and North Africa to become a member of the International Council of Tourism Partners (ICTP), enhancing its reputation as one of the favorite tourist destinations in the world, because being on this list is considered a sign of excellence. Rwanda has been conducting itself as a responsible member of the global tourism industry, and is a very special destination with a great future (Rwigamba, 2011).

According to the Kigali Focus (local newspaper) of October 11, 2011, for the fifth time the Rwanda Development Board participated in the annual 2011 JATA Tourism Forum and Travel Showcase, the largest travel-industry event in Asia, which was held from September 29 to October 2, 2011, in Tokyo, Japan. Rwanda’s continued participation at the JATA Expo, which is the most important global forum of tourism in the Far East, is in line with its strategy to tap into the enormous potential of Japan’s tourism market, most especially since the Japanese are widely known for their love of leisure travel. Since Rwanda started participating in 2006, it has been the most cost-effective and efficient way of penetrating the Japanese market. It is a comprehensive communication tool that brings about face-to-face interaction between Rwandan and Japanese tourists and travel agents, which has resulted in a dramatic increase in the number of tourists from Japan to Rwanda (RDB, 2011). In 2010, Japanese leisure visitors almost tripled (a 275% increase) from thirteenth to eighth position for international tourism’s top spenders, just behind Germany, the USA, China, the UK, France, and Canada, but surpassing the Netherlands, Sweden, Spain, and Switzerland. The Japanese are ranked as the best travelers in terms of spending and are thus in line with Rwanda’s target to attract high-end clients. This will be boosted further with the planned

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visit of the biggest travel agency in Japan to film and document Rwanda’s relatively unknown tourism destinations. The Rwandan participants included a delegation from RDB and the private sector (mainly tourism operators). The Rwandan stand at JATA, where various tourism opportunities and projects were showcased, was among the most visited. In addition, tourist attractions and products were displayed.

Being a small country, Rwanda has limited options as regards tourism, but the country’s parks and natural forests are already a valuable commodity for tourism (Rutagarama, 2001). Looking at the country’s capital Kigali, the opportunities for growth exist, and the benefits for expanding the industry are significant in terms of creating jobs and generating spin-off development (Kigali Economic Development Strategy, 2002).

Rwanda’s success in implementing this tourism strategy is evidenced by increasing numbers of tourists to the country. However, the tourism strategy recommends that not just tourism numbers should be targeted but also the length of stay of foreign tourists, so important for greater spending.

2.6.5 Impact of domestic tourism on the economic growth of Rwanda

As stated by Paraskevas (2008), one of the main reasons for Rwanda to sustain and promote tourism is the expected economic growth. According to Nkurayija (2011), tourism provides the best alternative for the economic development of Rwanda, which does not have other potential resources, unlike most other countries in this globalized world. Marcouiller (2004) states that Rwanda is now recognized as among the known tourist destinations in Africa; hence, it is believed to be a developed place for tourists. It is therefore important to expand on the existing products, while venturing into new areas. Product and market diversification along with relevant marketing and research, along with e-tourism, may help to link the country to visitors, hence increasing tourism contribution to GDP. Along that line, domestic tourism has been explored, since it can help maintain the sustainability of a country’s tourism industry by expanding a tourism market that is greatly needed by many developing countries. It also creates tourism awareness and a tourism culture within the host country, providing the people with a greater understanding and appreciation of what their country has to offer and instilling pride among the people within the particular nation. While the benefits of domestic tourism must be highlighted, several constraints on the development of domestic tourism need to be addressed as well. There is still resistance in many countries, when it comes to the development of domestic tourism, so both the benefits and constraints of the domestic tourism sector have to be carefully analyzed in order to determine the best methods for the success of the sector. With a focus on the domestic tourism market, countries
are able to diversify their tourism products and appeal to a wider target audience. Information on domestic tourism in developing countries, however, is extremely scarce. As Ghimire (2001, p. 2) notes, very limited knowledge on tourists in the south exists at all. Among the scant literature that does exist (Ghimire & Li, 2001; Rao & Suresh, 2001; Rogerson & Lisa, 2005), there is consensus on the fact that one of the major benefits of domestic tourism is that, while domestic tourists often spend less money per visit, they travel more often and bring greater economic growth particularly to the local communities.

Domestic tourists contribute more directly to the services offered by the local population, thereby contributing to the informal tourism sector by maintaining the strength of the industry, promoting pro-poor tourism, and, as a result, aiding in the poverty alleviation efforts of the country. As previously shown, a survey of the literature on tourism in developing countries indicates that countries like South Africa, Nigeria, Kenya, China, and India have realized the significant benefits of improving the domestic tourism market, especially with regard to the growth of this market (Rao & Suresh, 2001, Kenya News Agency, 2004; Rogerson & Lisa, 2005).

Another benefit of the development of the domestic tourism industry is that domestic tourists are not as often deterred from travel, based on political, social, or economic problems in the region, as are international tourists. Rao and Suresh (2001:208) point out that domestic tourism is not vulnerable to bad publicity, internal security problems and poor infrastructure. Most importantly, it meets the recreational needs of the resident population, helps to create a tourism culture and generates awareness about the natural resources of the country and its conservation.” In spite of these positive aspects of domestic tourism, several constraints get in the way of its growth and development, including a strong and continuing bias in favor of international tourism. Domestic tourism initiatives have often been overshadowed by international tourism efforts, and this is reflected particularly in the lack of data regarding domestic tourism on a global scale. The survival of the domestic tourism industry relies heavily on the existence of a tourism culture that allows for an enthusiastic approach to travel by the local population. In many developing nations, this culture is still absent. Policies regarding domestic tourism tend to be makeshift and informal and do not have long-term strategies in place, making sustainable growth impossible. Most tourism policies are generally biased towards the development of international tourism. This bias, termed the “Northern Bias” by Ghimire (2001b:1), is what deters the creation of possible domestic tourism initiatives. These constraints, discussed further below, highlight factors that need to be addressed before a country can achieve a successful domestic tourism industry.
Governments must have existing information on how the industry has grown so far in order to allow for the advancement of domestic tourism. While the importance of domestic tourism has been widely acknowledged, significant research and information on the current role of domestic tourism is still lacking. This is a major constraint to the growth of domestic tourism, and this gap stems from the fact that most developing countries view domestic tourism as secondary to attracting the international market, which brings in badly needed foreign currency. As a result, there are very few records of domestic tourism initiatives “as a dominant official concept of tourism in developing countries focuses on receiving wealthy foreign visitors, most governments have put significant effort into promoting international tourism (Grimire, 2001b:2),” and tend to find domestic tourism, particularly in developing countries, as hindering the progress of a viable international tourism industry. Yet domestic tourism, as Rao and Suresh (2001:208) indicate, is usually the predecessor to international tourism, since it helps to create tourism awareness and a tourism culture that can sustain international tourism in the long term. While the creation of such a tourism culture is critical to the development and the growth of domestic tourism, it is, unfortunately, still lacking in many developing countries, because it continues to be viewed as a luxury that many locals cannot afford. Developing countries, faced with economic adversity, will naturally have difficulty generating a significant local tourist population, though in many of these same countries, a sizeable middle-class exists and has the potential to participate in and make use of their country’s tourist attractions.

Very few policy measures have been implemented as regards domestic tourism (Shaw & Williams, 1994: 21). As more locals are increasingly influenced by Western lifestyles and consumerism, the desire to travel for leisure purposes is rising. With more nationals beginning to explore their countries of their own accord, as a consequence, policies designed to boost their experiences must be created in order to build and sustain this market. The effect of many existing policies in developing nations has meant that the general bias for supporting the development of international tourism has resulted in the tendency to ignore large domestic flows within developing countries, and the emergence of these same countries as major sources for tourism. In African countries, in particular, where the generation of foreign exchange is very necessary for economic growth, creating a prosperous domestic tourism industry becomes a daunting task. The tourism industry can also have an impact on nations if well managed, not only economically but also socially. In Africa, tourism is not only seen as a means to strengthen existing economies but also as a means to rebuild them. This rebuilding process means that the community must make a significant contribution to progress, and its involve-
ment in the tourism industry is one way of accomplishing this. The people of Rwanda must take ownership of their tourism industry. The participation of all Rwandans in tourism through travel, as well as employment and participation in education, goes far beyond economic gains. Kacou (2005) of the OTF Group specifies that in Rwanda, domestic tourism is about more than just travel; it is about national pride. The leadership of the country has worked hard to rebuild the nation as “one people, one nation, and one culture,” and tourism has a big role to play in encouraging Rwandans to see their country as their own, as a country they have worked to rebuild and they can now enjoy. The more the participation increases, the greater the chances of the industry’s sustainability. Rwanda's domestic tourism industry so far has begun to show signs of development, but it is still thought of by many tourism industry players in Rwanda as not being utilized to its fullest potential.

From what precedes, one would conclude that since 1994 Rwanda’s tourism industry has faced several challenges to its targeted growth. However, the country has continued to rebuild itself politically, socially, and economically, and tourism is widely considered as one of the sectors that is helping the country achieve its economic targets through revenue gains and job creation. Such growth and performance could not happen if entrepreneurial tourism activities were not fostered to gradually make Rwanda a favorite destination for international tourism, particularly in terms of attracting large numbers of international tourists, and business and conference travelers from the region. Even though the above remarkable growth in terms of visitors and receipts has contributed to the steady growth of the economy of the country in the past decade, little attention has been paid to understanding the links between entrepreneurship in tourism and economic growth in Rwanda, and its potential as a strategy for income generation. Since entrepreneurs have been recognized as agents of change, their role in general and the nature of tourism entrepreneurship in particular in Rwanda are explored in this study. This research intends to increase the understanding of the role of tourism entrepreneurship, and to find out how policy-makers and local entrepreneurs could improve the business environment in tourism development through innovation and creativity.
Entrepreneurship and Tourism Development

3.1 Introduction

Entrepreneurship is considered a central force in economic development, since it generates growth and serves as a vehicle for innovation and change. According to Lorkipanidze (2005), entrepreneurship plays a great role in tourism in terms of diversification of tourism products and services delivery to cater for different tastes of tourists with an increase in demand for new types of tourism needs. Many researchers consider entrepreneurship as a catalyst for development to the extent that it creates employment, boosts the demand for public services, provides markets for consumer goods and services, and establishes social ties through transactions that extend across economic and social groups (Baumol et al., 2007; Munshi, 2007; Iyigun & Rodrik, 2004). According to Taskov and colleagues (2011: 3), for entrepreneurship to contribute to economic growth, it is important that small businesses grow into a larger-size ones, operating with more advanced technologies, generating high-quality jobs, and ultimately reaching higher levels of productivity to generate higher incomes. Micro-enterprises growing large over time are however rather exceptional in many Sub-Saharan African countries (World Bank, 2013). According to Ball (2005), a majority of tourism businesses fall into this category, and, although entrepreneurship pervades all sectors of the economy and all types of organizations, firms and individual businesses, especially small businesses, are especially the places where tourism entrepreneurship is crucial for economic growth, productivity gains, and job creation.

In Rwanda, the tourism business has also been identified as a potential influencing factor for the economic growth of the country, and an essential contributor to job creation and capital investment (WTTC-Rwanda Economic Impact, 2014). This justifies the need to harness entrepreneurship for Rwanda’s leading tourism industry, among others.
3.2 Definitional challenges and a history of research on entrepreneurship development

Getting a grasp of both the concept and practice of entrepreneurship is difficult and has been made even more problematic by the many contesting perspectives of researchers, who have attempted to define entrepreneurship (see Wickham, 2004: 5-8). Many of the definitions of entrepreneurship are a function of the researchers’ academic background (Sexton & Bowman-Upton, 1991). According to Caree and Thurik (2002), the term “entrepreneurship” is an ill-defined, multidimensional concept. From the many varied definitions in existence, it is apparent that entrepreneurship is a complex and rich phenomenon, and is a particular approach to wealth creation (Ball, 2005: 5). This is emphasized by Morrison (1998: 69) who, in recognizing the definitional conflicts, claims that “entrepreneurship, in essence, involves the process of creating value by bringing together a unique package of resources to create or exploit a market opportunity.” He adds that the key to understanding “entrepreneurship” is to understand the “entrepreneur.” According to Hebert and Link (1988), the term “entrepreneurship” derived from the word “entrepreneur,” which originated in seventeenth-century France and was applied to an individual who provided services associated with carrying out a commercial project for someone with capital to invest. It was during the sixteenth century that it was used as a common term in business, and the “entrepreneur” came into focus as a person who is responsible for undertaking a business venture. In the eighteenth century, Cantillon (1755) added that an entrepreneur incurs risk. It was during the seventeenth and eighteenth centuries that business itself became part of the new lifestyle, especially in Europe, where most of this development was taking place. The early economists, such as John Baptist, John Stuart Mill, and Alfred Marshall all included entrepreneurship in the economic spectrum of the time, by defining the various skills and features of an entrepreneur. These definitions vary from an entrepreneur being responsible for employing resources in high productivity areas to earn profits, to risk incurring, and finally to an entrepreneur as being responsible for organization and control. Probably the most substantial research into entrepreneurial theory was achieved in the twentieth century. Schumpeter (1934) described entrepreneurs in relation to the concept of innovation. He stated that innovation was illustrated in new markets, new products, new production methods, and new forms of organization. This definition of entrepreneurs is close to innovativeness, later emphasized as a characteristic of entrepreneurs by many scholars (Karagozoglu & Brown, 1988; Lumpkin & Dess, 1996, 1998; Miller & Friesen, 1982, 1983; Tagraf & Akin, 2009). They argue that an entrepreneur is a person who can create a new product or ser-
The second important characteristic of an entrepreneur is the need for achievement, as worked out in McClelland (1961), and Frank and colleagues (2007). There are lots of studies and relevant literature in this area that show a strong relationship between entrepreneurs and economic growth (Schumpeter, 1934; Acs & Armington, 2004; Camp, 2005; Audretsch & Thurik, 2004, Carree & Thurik, 2005; Henderson, 2006). Many economists and politicians now consider that there is a positive impact from entrepreneurship on the growth of GDP and employment. Many stress the role of the entrepreneur in implementing innovations. This current interest of politicians and economists coincides with a revival of business ownership rates in most Western economies (Carree & Klomp, 1996; Davis, Haltiwanger, & Schuh, 1996).

In the pursuit of understanding who is an “entrepreneur,” Martin and Witt (1992) describe the “entrepreneur” as a person with independence and a high need for achievement, a hard worker, and a person with good health characteristics. Lumpkin and Dess (1996) argue that key entrepreneurial processes include innovativeness, risk propensity, autonomy, and competitive aggressiveness. Others explain entrepreneurial skills as the process, practices, and decision-making (Okudan & Rzasa, 2006). The concept of an entrepreneur has been further refined, by considering these principles and terms from a business and managerial perspective. In particular, the concept of entrepreneurship has been thoroughly explored in this century from various perspectives: pursuit of self-interest, innovative combinations of available resources (Schumpeter, 1934), uncertainty and risk-bearing activities (Kets de Vries, 1977), and proactive or opportunity-seeking behavior (Miller & Friesen, 1983). Baumol (1990:895) defines entrepreneurs as “persons who are ingenious and creative in finding ways that add to their own wealth, power, and prestige.”

From these points explored by different scholars, there is a shared understanding of “entrepreneurs” as persons who build and manage an enterprise for the pursuit of profit, in the course of which they innovate and take risks, since the outcome of any innovation is usually not certain, while “entrepreneurship” is considered as a kind of behavior that includes: (1) initiative taking, (2) the organizing and reorganizing of social and economic mechanisms to turn resources and situations to a practical account, (3) the acceptance of risk or failure, and (4) profit. Histrich and Peter (1998) assert that “entrepreneurship” is a dynamic process of creating incremental wealth, which is created by individuals who assume major risks in terms of equity, time, and/or career commitment, or who provide value for some product or service. The product or service may or may not be new or unique, but the entrepreneur must somehow infuse value by receiving and using the necessary skills and resources. Essentially, an “entrepreneur” could be recognized in this thesis as
an individual with vision, someone who works hard and has the courage to try something new – even if it means failing. As stressed by Dees (1998: 2), an “entrepreneur” is mostly associated with an individual who is starting a business, and more specifically, someone who is used to identify the venture and stimulate economic progress by finding new or better ways of doing things. According to the same author, often it is assumed that starting a business is the essence of entrepreneurship, but central is finding ways to serve new markets by innovative ideas and ventures. Nowadays, with developments in technology, consumer preferences or social norms lead to opportunities and chances that can be exploited: “The entrepreneur always searches for change, responds to it, and exploits it as opportunity (Dees, 1989: 2).” In other words, entrepreneurs have a mind-set that sees the possibilities rather than the problems created by change. Business entrepreneurship is often seen as an economic function, while social entrepreneurship places more value on social improvements and mainly focuses on the social mission. As stated by Dees (1998: 3), the main distinctive quality is how, for the social entrepreneur, making profit is less central, “wealth being just a means to an end.”

Although each of the above definitions views entrepreneurs from a slightly different perspective, generally entrepreneurship can be understood as the process of creating something new of economic value by devoting the necessary time and effort, assuming the accompanying financial and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence. Regardless of the field, entrepreneurship involves the creation of something new of value. The creation has a value to the entrepreneur and value for the audience for which it is developed. Second, entrepreneurship requires the devotion of the necessary time and effort. Only those going through the entrepreneurial process appreciate the significant amount of time and effort it takes to create something new, and make it operational. Assuming the necessary risks is the third aspect of entrepreneurship. These risks take a variety of forms, depending on the field of effort of the entrepreneur, but usually center around financial, economic, psychological, and social areas. The final part of the definition involves the economic rewards of being an entrepreneur.

According to Giamartino (1991), many policy-makers on the African continent have adopted free enterprise mechanisms as the key to economic growth. He opines that one of these mechanisms is enhancing entrepreneurship that can lead to new economic development. Logan and colleagues (2003) also view entrepreneurship as a solution to problems of poor communities and ethnic groups. Fostering an entrepreneurial culture has become a
key policy priority for governments in general (Drennan et al. 2001; Luthje & Franke, 2003), and, in particular, for Rwanda, entrepreneurship is recognized as a key pillar for its economic growth (Government of Rwanda, Vision 2020: 3). It is worth noting that the success of a business is influenced by many factors; however, the greatest determinant of a business’s success is the entrepreneur him/herself (Shane, 2003). In today’s (2015) tough financial crisis and uncertain economy, an organization needs strong entrepreneurs, who can lead their staff toward accomplishing business goals. However, entrepreneurs are more than just leaders – they are problem-solvers, cheerleaders, and planners as well. Entrepreneurs fulfill many roles and have many different responsibilities at each level of management within an organization. Although technical expertise is needed in any profession, realities on the ground show that no formal education is required to become an entrepreneur. Self-knowledge through self-analysis is therefore of paramount importance. Self-analysis demands honesty, discipline, and an understanding of one’s own personality in relation to one’s behavior. If one supplements higher education and professional skills with experience, the likelihood of leadership quality and growth will increase. In any case, the individual entrepreneur has to be farsighted, creative, and use his/her own talent to create his/her workplace. In general, an entrepreneur has to have a vision, a goal, and above all creativity. These cannot be fulfilled if they are not coupled with the adequate know-how of managerial and leadership qualities. An entrepreneur has to have a passion more than just cash inflow, or, in other words, more than just the expectation of profit.

The concept of taking risks is a characteristic that is highly related to entrepreneurial behavior. Risk-taking has an influence on all phases of activities, especially at the initial stages of enterprise development, in that it involves much higher risk than other stages of growth (Frank et al., 2007). As stated by Okundan and Rzasa (2006), entrepreneurs have other comprehensive characteristics that are tied to innovative behavior, with the main goal being wealth creation. According to the investigation made by Tagraf and Akin (2009:239-257), the following characteristics are generally common among entrepreneurs:

- Risk acceptance
- Innovation
- High need for achievement
- Belief in control over events
- Initiator of new activities
- Need for independence, and
- Identification of market opportunities
Based on the above, one would say that entrepreneurship has been defined from various perspectives and contexts, but, until now, there is no generally and universally accepted definition of the concept of “entrepreneurship” (Gibb, 1988; Gartner, 1994; Churchill & Muzyka, 1994; Bygrave, 1989; Kjelsen, 1989; Morgan, 2014; Brooks, 2015). Wortman (1992) argues that the field of entrepreneurship lacks sufficient frameworks that cut across all disciplines. Carree and Thurik (2002) state that the reason behind this difficulty may be attributed mainly to the fact that there are various intermediate variables or linkages such as innovation, variety of supply, entry and exit of firms (competition), entrepreneurial efforts, personal traits, etc., to explain how entrepreneurship influences economic growth.

This section has discussed some ideas from a few author’s dissertations on the economic theory of entrepreneurship, and it sought to provide an explanation for the way entrepreneurship leads to economic growth via innovation, risk-taking, and alertness to opportunity.

In conclusion, there are many views and definitions of entrepreneurship, and entrepreneurs are found in all professions; however, in almost all of the definitions, there are four basic aspects of being an entrepreneur regardless of the field.

1. First, entrepreneurship involves the creation process – creating something new of value. The creation has to have value to the entrepreneur and value to the society for which it is developed. Examples of this society are (1) a market of organizational buyers for business innovation, (2) a hospital’s administration for a new admitting procedure and software, (3) prospective students for a new course or even college of entrepreneurship, or (4) the constituency for a new service provided by a nonprofit agency, etc.

2. Second, entrepreneurship requires the devotion of the necessary time, skills, and effort. Only those going through the entrepreneurial process appreciate the significant amount of time, skills, and effort it takes to create something new and make it operational.

3. Assuming the necessary risks is the third aspect of entrepreneurship. These risks take a variety of forms, depending on the field of effort of the entrepreneur, but usually center around financial, psychological, economical, and social areas.

4. The final part of the definition involves the rewards of being an entrepreneur. The most important of these rewards is independence, followed by personal satisfaction. For profit-making entrepreneurs, money becomes the indicator of the degree of success.
For the person who actually starts his or her own business, the experience is filled with enthusiasm, frustration, anxiety, and hard work. There is a high failure rate due to such things as poor sales, intense competition, lack of capital, or lack of managerial ability. The financial and emotional risk can also be very high (Hirsch et al., 2005). According to Mora (2013), there is a tendency today to assimilate “entrepreneurship” as a value creation through identification and exploitation of opportunities. This includes starting and managing one’s own business. Along the same line, Ahmad (2013) views entrepreneurship as a process of creating something of value by devoting the necessary skills, time, and effort, and, assuming the accompanying financial and sometimes physical and social risks, reaping the resulting monetary rewards and personal satisfaction. Enterprising or entrepreneurial behavior, also referred to as Enterprising Tendencies by Ahmad (2013), encompasses a number of behavioral attributes, which facilitate the effective and efficient exploitation of opportunities. These attributes include being proactive, innovative, a futurist, and achievement-oriented, able to operate independently, willing to take reasonable risks, and perseverance (Morar, 2013). A more contemporary definitional perspective is the one adopted by the Global Entrepreneurship Monitor (GEM) researchers (Reynolds et al., 2005). The GEM surveys are based on identification of those persons who are entrepreneurially “active,” in that they are “involved in setting up a business that they will (at least partly) own, or currently owning and managing an operating young business (p. 209),” as well as those managing already established businesses. More recently it has been established that businesses can be social as well as commercial enterprises, and new ventures being created within already established organizations are also included. The GEM approach is therefore a more complete and inclusive definition of what so far constitutes entrepreneurship, as defined by the different authors above-mentioned. Self-employment or small businesses that are not continuing to be developed in an “entrepreneurial” manner are included within the overall definitions. It can be argued that setting up as a self-employed person, or the continuing owner management of a ubiquitous un-dynamic business is nevertheless entrepreneurial, albeit to a lesser degree. Such an encompassing definition also allows for focus on particular sub-sets of entrepreneurship. High growth businesses can be the subject of particular study and interest, since they are paramount to job creation and economic growth. Such sub-sets of entrepreneurship, such as life-style businesses, social enterprises, franchises, etc., all fit within the definition and can be the subject of further focused research. For the purpose of this thesis, I adopted the definition offered by Gries and Naudé (2011: 217), which combines behavioral and occupational views, and reflects, to some extent, some of the evolution in scholarly thinking about entrepreneurship, defined as “the
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Resource, process and state of being through and in which individuals utilize positive opportunities in the market by creating and growing new business firms.” This definition includes both starting “new” ventures and adopting success strategies within existing or new entities in Rwanda’s tourism industry.

3.3 Importance of entrepreneurship in the tourism industry

Henry, Hill, and Leitch (2003: 3) state that “it is widely recognized that the promotion of entrepreneurship is not only necessary for a healthy economy but also critical for sustaining prosperity and creating new jobs.” Therefore, initiatives related to entrepreneurship promotion abound, in the sense that the interest in entrepreneurship is considered to be a consequence of a diverse range of contributory factors, including the belief that it can act as an ingredient for economic prosperity and can reduce unemployment.

In tourism, however, relatively little attention has been paid to the role entrepreneurial activity plays in tourism development and, in particular, to how tourism enterprises operate in different countries (Morrison et al., 1999; Shaw & Williams, 1998). Shaw and Williams (2002:103) explore the importance of entrepreneurship in tourism and discuss its role in understanding tourism’s impact on economic development. They say:

...Only scant attention has been paid to the role of entrepreneurs in the tourism industry. Beyond general discussion of the impact of transnational organizations, the literature is remarkably uninformative on the influence of small or even medium-sized businesses.

Lynch and MacWhannell (2000: 109) state that “the overall level of knowledge regarding the entrepreneurship in tourism remains low, and this is particularly so regarding small and medium-sized businesses which predominate in the industry.” An entrepreneurial approach is just as relevant and important in tourism as in other sectors, if not more so (Ball, 2005). Tourism industries can be regarded as basically entrepreneurial industries, employing approximately 10% of world employment in 2013 in direct, indirect, and induced jobs, created by the tourism sector (UNWTO, 2013). The vast majority of the jobs created are small and medium-sized businesses. They tend to be highly flexible to changing customer demands, and offer personal and localized services, termed by Ball (2005: 5) as “the fabric of local society.” According to Ball (2005), tourism industries are areas, where discussions related to change, development, innovation, and management are increasingly
3.3 Importance of entrepreneurship in the tourism industry

being couched in terms of entrepreneurship. Entrepreneurship is a driver of change, innovation and employment in these industries and is crucial to meeting the rapidly changing demands of tourism consumers. Within established businesses the concept of entrepreneurship is crucial to enabling new markets to be developed for these changing consumer demands and tastes in order to facilitate new concepts of enterprising and development. To this end, entrepreneurship is considered critical to tourism sectors, owing to the rapidly changing consumer demands and expectations, and constant innovation by businesses. The adaptation is vital to meet and, hopefully, exceed these evolving demands and expectations. It is an important force behind success in any industry, but this may be even more especially true in the dynamic and rapidly evolving tourism industries throughout the world. These entrepreneurial industries are major contributors to national economies and growth, and they may even grow better both in terms of quantity and quality if appropriate policies and ad hoc training are crafted and applied to individual entrepreneurs, who, in return, are then able to cater to the tourism consumer behavioral trend. The importance of entrepreneurship in tourism lies in developing new products and services, and ways of delivering these to the customer, and in relation to their various demands, needs, and wants, as well as expectations. Entrepreneurial activities generally develop newly combined means of production, new products, new markets, new methods of manufacturing or distribution, new sources of material, or new forms of organization (Schumpeter, 1934). Hence, entrepreneurship is necessary for overcoming these challenges in these industries and in achieving the above. According to Ghose and colleagues (2008), there are challenges, however, related to reaching growth targets, and these relate to capacity, availability, and skills of the workforce, owner-managers, and tourism networks. For businesses, various forms of innovation have the potential to boost productivity and increase the ability to discriminate prices and enhance profits. Entrepreneurship may be the cutting edge to gaining competitive advantage and, as a result, greater economic growth and financial rewards. Entrepreneurship and innovation in these industries would therefore be contributors to economic development, not only in Rwanda but also elsewhere on the African continent, as the following quotes of Babagbale, General Manager, Yola International Hotel, Nigeria in 2005, cited in Ball (2005: 6) show:

The role that entrepreneurship plays in African economies and society particularly in the tourism industries is enormous and cannot be over-emphasized in the provision of employment, wealth creation and in terms of innovation. The primary goal of entrepreneurship is profitability and growth...
The growth and diversity of tourism industries along with increases in consumer expectations of their leisure time and experiences have placed greater demands on tourism business-providers around the world.

In the case of Rwanda, tourism impacts on basically all other sectors of the economy, and has shown for the past decade a steady growth and created many employment opportunities (WTTC-Rwanda Economic Impact, 2014). This implies that tourism entrepreneurship plays a pivotal role in the development of the economy. Enhancing entrepreneurship in tourism finds its justification and importance in Rwanda as one of the major ingredients in revenue increment, job creation, and capital investments.

3.4 Contribution of tourism entrepreneurship to economic growth

This section focuses on tourism entrepreneurial opportunities, and economic growth and value creation through entrepreneurship, as well as on skills and competencies that trigger current tourism business operations. The focus is on the individual entrepreneurs and other conditions, which can propel tourism businesses. Building on the genesis of entrepreneurship, this section discusses key concepts of the economic theory of tourism entrepreneurship, and outlines how entrepreneurship in tourism may lead to economic growth through innovation, risk-taking, and opening up of tourism entrepreneurial opportunities existing in Rwanda, while handling constraints that may hinder tourism development. Understanding the role of entrepreneurship in tourism development and in the process of economic growth requires a framework that explains how entrepreneurship influences tourism development and economic growth. In this section, two models are discussed. The first one has been adapted from the Wennekers and Thurik model (1999). It critically analyzes the role played by individual entrepreneurs in innovation and creativity, and subsequent economic growth. Such growth passes through different conditions such as personal, institutional, and other variables: innovation and creativity, competition, entrepreneurial intention, skills and efforts, etc., which influence tourism entrepreneurial activities and lead to economic growth. The second model discussed in this section is the revised Global Entrepreneurship Model (GEM Global Report 12), which has developed a more concise and inclusive theory on the classification of economic development. The GEM model helps understand the effects of entrepreneurial activity on economic growth at the individual level and at the country level.
3.4 Contribution of tourism entrepreneurship to economic growth

Figure 17
Framework linking tourism entrepreneurship and economic growth
Source: Adapted from Wennekers and Thurik (1999).

This framework broadly offers many insights as depicted in various views found in the existing literature about entrepreneurship, where individual entrepreneur’s activities and contextual conditions lead to economic growth. The concept of economic growth is relevant at all levels from the individual level, to firms, regions, industries, and nations, and depends on a set of conditions such as the development of institutions supporting tourism business development, tourism business incentives offered, etc. Taking and adapting this entrepreneurship framework and linking it to economic growth means linking the individual tourism entrepreneurs to the firm and to the macro levels. This is in accordance with the definition of entrepreneurship provided by Bull and Willard (1993), and Lumpkin and Dess (1996: 136), where “entrepreneurship” is defined as the ability and willingness of individuals on their own, in teams, within and outside existing organizations, to perceive and create new economic opportunities (new products, new production methods, new organizational schemes, and new product-market combinations), and to introduce their ideas into the market, in the face of uncertainty and other obstacles, by making decisions on location, form, and use of the resources and institutions. They opine that entrepreneurship is a behavioral characteristic of persons; it is neither an occupation/profession (Schumpeter, 1934: 78) nor a fixed state of existence (Gartner, 1989: 64), and this characteristic
Entrepreneurship and tourism development can be exhibited during a certain phase of entrepreneurship development or in any domain of entrepreneurship activities (Wennekers & Thurik, 2002: 5). But individual entrepreneurial action develops at the firm level, which can transform his/her personal qualities, attitudes, and ambitions into actions. According to Wennekers and Thurik’s model (1999), an entrepreneur has a controlling stake in small firms and, as such, is considered as a vehicle for individuals to channel their entrepreneurial ideas. Lumpkin and Dess (1996: 138) posit that small firms are extensions of the individuals in charge. According to Lazear (2004: 1), “the entrepreneur is the single most important player in a modern economy.” At the firm level, this passes through generally innovative business start-ups and entry into new markets. At the macro level, many individual entrepreneurial actions take place, and, through competition, selection, and even imitation, some ideas are replaced, while others survive and expand into new niche markets and industries, and lead to growth of national economies. In this process, entrepreneurs and managerial business owners and staff play their role, and enable them to increase their skills and attitudes. The outcome of the above chain of linkages of tourism entrepreneurship leads to economic growth in various ways, including introduction of new tourism products and experience, with new quality and value. Their innovativeness introduces new ways of product development and new destinations that have not been exploited. It is through tourism entrepreneurship that new sources of supply and new destinations are discovered, along with new tourism business companies created that directly affect economic growth.

The above discussion seems to be in tandem with idea of “newness” advanced by Lumpkin and Dess (1996), where start-ups and innovations, as well as competition, are considered as the most relevant factors linking entrepreneurship to economic growth. The same applies to tourism entrepreneurship.

Another conceptual framework that was considered in this research is the one developed by the Global Entrepreneurship Monitor (GEM), linking entrepreneurship to economic growth. This is captured in the GEM model, as it has been so far revised and presented in the GEM Report 12. The GEM model, as is shown below in figure 18, illustrates how entrepreneurship is affected by national conditions, and considers three major components of entrepreneurship, such as attitudes, activity, and aspirations. GEM takes a comprehensive socioeconomic approach, and considers the degree of involvement in entrepreneurial activity within a country, identifying different types and phases of entrepreneurship (Shane 2009; Bosma et al., 2009), using its own harmonized methodology across countries.
3.4 Contribution of tourism entrepreneurship to economic growth

The GEM model in figure 8 sets out key elements of the relationship between entrepreneurship and economic growth, and the way in which the components forming the model interact. While figure 17, considers only the conditions of established firms that make them thrive, this GEM model adds both entrepreneurial capacity and entrepreneurial opportunities for new business activity (Reynolds et al., 2005).

The foundation of this GEM model has its roots in the concept that the contribution of entrepreneurs to an economy varies according to its phase of economic development (Wennekers et al., 2005; Gries & Naudé, 2008), and on the realization that the Global Competitiveness Index, on which the GEM
model drew for its General National Framework Conditions, has evolved considerably since the late 1990s. The revised GEM model takes into consideration the complexity of the causal relationship between entrepreneurship and economic development, and introduces a more nuanced distinction between phases of economic development in line with Porter’s typology of “factor-driven economies,” “efficiency-driven economies,” and “innovation-driven economies” (Porter et al., 2002), and recognizes that GEM’s unique contribution is to describe and measure, in detail, the conditions under which entrepreneurship and innovation can thrive. The contribution of this revised model, as mentioned above, is the integration of the three main components that capture the nature of entrepreneurship: entrepreneurial attitudes, entrepreneurial activity, and entrepreneurial aspiration. Furthermore, it also incorporates an understanding of how economies change as they develop, and the changing nature and contribution of entrepreneurship in that development. For factor-driven economies, economic development is primarily driven by basic requirements: development of institutions, infrastructure, macroeconomic stability, and health and primary education. In efficiency-driven economies, government focus relies on ensuring smooth mechanisms, such as a proper functioning of the market, higher education systems, goods and labor markets, and technological readiness. Even though these conditions are not directly related to entrepreneurship in the Schumpeterian sense of “creative destruction,” they are indirectly related, since the development of markets also attracts and enables more entrepreneurship. Finally, for countries whose economic development is primarily innovation-driven, entrepreneurial framework conditions become more important as levels of economic development than basic requirements or efficiency enhancers. The outcome of the model is national economic growth through, for example, job creation and technical innovation, all leading to national economic development.

Following the GEM model, it is important to note the contribution of GEM research in terms of the way that, before the start of the GEM project, many scholars believed that average new firm birth rates were almost similar across countries (Reynolds et al., 1994), but now there is a common understanding that early stage entrepreneurial activity rates can vary across countries depending on their phases of economic development. There is a belief among many entrepreneurship academics that entrepreneurship is strongly correlated to economic growth; yet this correlation is much more complex than it was thought in the past. Researchers were viewing entrepreneurship as a good and interesting activity, but currently it is believed that many entrepreneurs are not only driven by the pursuit of opportunity, as it was argued by many researchers (Shane, Locke, & Collins, 2003; Shane & Venkataraman, 2000), but also by necessity-driven opportunity, in particular in developing countries (GEM,
3.5 Contribution of entrepreneurial leadership to tourism destination competitiveness

It has been argued in the preceding section that entrepreneurship is at the heart of economic growth and vital to successful tourism provision. The entrepreneurial leadership affects the provision of tourism activities, since tourism operates in a competitive business environment because of so many destinations offering tourism activities competing around the world. A tourist can choose his/her preferred experience, with products and services based on his/her tests and expectations for a destination. The role of entrepreneurial leadership is therefore very important in shaping the purchase decision of the tourist, when it adjusts in an entrepreneurial way to his/her demand. Buhalis (2000) has identified different elements that influence the purchase decision of the tourist in his 6 A’s framework.

Table 9
The “6 A’s Framework” for the analysis of tourism destinations

<table>
<thead>
<tr>
<th>Attractions</th>
<th>(natural, man-made, artificial, purpose built, heritage, special events)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility</td>
<td>(transportation system comprising of routes, terminals, and vehicles)</td>
</tr>
<tr>
<td>Amenities</td>
<td>(accommodation and catering facilities, retailing, other tourist services)</td>
</tr>
<tr>
<td>Available packages</td>
<td>(pre-arranged packages by intermediaries and principals)</td>
</tr>
<tr>
<td>Activities</td>
<td>(all activities available at the destination and what consumers will do during their visit)</td>
</tr>
<tr>
<td>Ancillary services</td>
<td>(banks, telecommunications, post, hospitals, etc.)</td>
</tr>
</tbody>
</table>
The analysis of Buhalis’s Framework shows that destination products and services are comprised of natural resources, national and regional infrastructure, and amenities and community assets. The attractiveness of destinations is also a consequence of the products and services provided by a whole host of entrepreneurs and small businesses that develop visitor accommodation and attractions, and numerous other tourist services in and around it. Bailey (2005), quoted in Ball (2005: 5), states that:

Entrepreneurship is critical... as with rapidly changing consumer demands and expectations, constant innovation by businesses is vital...

Innovation, as seen in the previous section, does not take place in a vacuum. It is embedded in individual entrepreneurs who can initiate the “newness” of doing things that can be accommodated to the needs and wants of the consumer.

Kozak (2002) has established that destinations can be benchmarked and that tourists do compare different features when making their selection and determining their level of satisfaction. Kozac and Rimmington (1998), and Lerner and Haber (2001) have emphasized the importance of entrepreneurs and small businesses in determining the level of tourist satisfaction with a destination. Able and creative entrepreneurs add value to the attractiveness of destinations. Johns and Mattsson (2004) have demonstrated that even one entrepreneurial individual can stimulate the development of a destination. As Middleton and Clarke (2001: 41) state (quoted in Morrison and Teixeira 2004: 168):

At the leading edge the small tourism businesses embody the entrepreneurial spirit and vitality of places... at the trailing edge many exist on the fringes of the industry, damaging the environment of the destinations in which they are located, reducing visitor satisfaction and the perceived quality of the destinations in which they are located.

Individual businesses can reduce the negative and enhance the positive impact. If the enterprise works efficiently, as originally proposed by Schumpeter (1942), creative destruction takes place; new small businesses, more in tune with market needs, come along to replace those businesses that are either poorly run or out of kilt with contemporary needs. Alternatively, poorly run businesses must raise their businesses up and improve in order to stay where they are. It is apparent that tourism entrepreneurship leadership is an extremely important feature of successful tourism provision. Since tourism is an experience and a service rather than a product, it also provides a rich domain for creative entrepreneurs to initiate new cutting-edge offerings that
3.5 Contribution of entrepreneurial leadership to tourism destination competitiveness

reflect their views of what is needed in the contemporary tourism industry. Entrepreneurship leadership is at the heart of creating a successful tourism experience for the tourist. With this, a customer journey guide, as shown in figure 19 below in relation to tourism destination management, is ideal in this endeavor of entrepreneurship leadership.

In the case of Rwanda, tourism has been identified as one of the key sectors for driving economic development and transformation (NES, 2012; EDPRS 2, 2013-2018; Vision 2020). The marketing challenges facing tourism businesses are unique in that these businesses cannot be promoted in isolation from their competing and complementary products. Entrepreneurial leadership has been identified with a positive influence on the business performance of a tourism enterprise (Kirby, 2011; Gupta, 2004; Hill & McGowan, 1996). The entrepreneurial leadership is embedded with the skills and characteristics of the owner-manager, owner manager knowledge, and alliances. These elements of entrepreneurship, on the one hand, and innovation orientation, on the other, are positively linked to various measures of organizational perfor-

Figure 19
The Customer Journey.
mance. In this context, and as it has been seen earlier, Taskov and colleagues (2011) suggest that the performance of a small tourism enterprise could be determined by the personality of its entrepreneur. Therefore, owner-managers are the people who recognize the potential of a particular project, and, when they do so, they then take the necessary actions to implement the innovation. As noted by Hill and McGowan (1996), the role of the owner-manager (entrepreneur) is essential in small tourism businesses. Kirby (2011) adds that entrepreneurial leadership has become so important that one of the major challenges facing all economies is their capacity to develop a conducive environment that supports entrepreneurial actions and necessary skills, attitudes, and behaviors to prepare the tourism industry and other connected industries to pursue opportunities. Louw and colleagues (2003) pinpoint that economic development and wealth creation are both supported by entrepreneurs through small business development; it is worth noting, however, that, in most African countries, building high-quality entrepreneurship in the tourism industry remains challenging. According to Wennekers and Thurik (1999), it is essential to develop a means of measuring entrepreneurship quality, because this could help focus on the high growth of small and new businesses. This helps to identify a wide range of economic, social, policy, and firm factors that may affect the development of high-quality entrepreneurship, while also enabling entrepreneurs to reveal the critical role of high-quality entrepreneurship in economic growth. As noted above in figure 17, entrepreneurial individuals also channel and transform their entrepreneurial ambitions and qualities into actions through firms. An organizational extension of individual entrepreneurial actions and a behavioral manifestation of entrepreneurship could be identified in small firms (Wennekers & Thurik, 1999). As noted by Ball (2005), most firms found in the tourism business are small. In this way, entrepreneurship quality is connected with job creation in small tourism businesses and economic growth generally. New small tourism businesses contribute to the flourishing of entrepreneurship as important catalysts or actors in technological innovations, since entrepreneurs are considered “agents of change” (Schumpeter, 1934), and critical forces in industrial restructuring and national competitive advantage in market structure and competition environment (Porter, 1990).

In this context, it is worth noting that high-growth and high-potential small tourism businesses have positive impacts on economic growth. Kirby (2011) establishes that entrepreneurship quality is essential and needs entrepreneurial leadership, market and marketing orientation, differentiation, and tourism destination development, which enhance high-quality services and growth. According to Hill and McGowan (1996), the marketing challenges facing tourism businesses are unique, and these businesses cannot be pro-
moted in isolation from their competing and complementary products. According to researchers such as Sebele, (2010), and Manyara and Jones (2007), entrepreneurship quality, entrepreneurial leadership, and market and marketing orientation have a positive influence on the business performance of a tourism enterprise. The relationships between entrepreneurial leadership, market orientation, and marketing orientation could be explored with their common elements – the skills and characteristics of the owner-manager (entrepreneur), knowledge and alliances, and networks. These elements of entrepreneurship, on the one hand, and innovation orientation, on the other, are positively linked to various measures of organizational performance. Zyl and Mathur-Helm (2007) suggest that the performance of a small tourism enterprise could be determined by the personality of its entrepreneur. Gupta (2004: 95) adds that entrepreneurial leadership is a leadership that creates visionary scenarios used to assemble and mobilize a “supporting cast of participants who become committed by the vision of the discovery and exploitation of strategic value creation.” Thus, the owner-manager has a vision for using all potential from the tourism industry. That is why the owner-manager is recognized as a person who initiates, develops, and manages entrepreneurial organizations, which is an important component in achieving success.

Middleton and Clarke (2001) mention that the important element in developing entrepreneurial leadership in tourism is alliances. The importance of alliances is that it can take a number of forms and include personal contact networks, social networks, business networks, and industry and marketing networks. Alliances are used to describe these cooperative relationships. Alliances play a crucial role in small business marketing by reducing uncertainty, facilitating trust, and reducing the risk for all, since small businesses often do not have the time or resources to buy market information or solicit the services of business consultants. They also have an influence on its decision-making. Networking contributes a great deal to tourism development through promotion and development of the tourism industry. It plays a significant role in bridging the tourism development gap in many of the country’s sectors. Building business network and collaborations is one of the components of entrepreneurial leadership. Small business networks in tourism also contribute a lot to destination development. Research shows that networking has recently been the focus of much small tourism businesses (Michael, 2007; Petrillo & Swarbrooke, 2005; Tinsley & Lynch, 2001). Lynch and Morrison (2007: 43) define networks as “social structures that enable the operators of small firms to build the level of trust necessary for them to share in the development of the local tourism product.” Networking is “the process used by members of the network to mobilize relationships and learn from each other.” The exact manner in which networks in tourism business
Entrepreneurship and tourism development are utilized within a locality, why, and how they may contribute towards the building and developing a tourism destination is currently critical to the success of making decisions by tourism entrepreneurs, in addition to providing business support and making tourism destination policies. Following the literature, the argument here is that entrepreneurs, and more specifically tourism entrepreneurs, can never operate in isolation; they need networks for the betterment of their businesses. Determining the networks could be done from a sociocultural perspective, and in a way so as to underline the implications for business behavior and destination development. In that way, understanding tourism networks, in which a tourism business operates, assists in identifying partnerships, alliances, and cooperative marketing opportunities. The social network relates to family, friends, and the wider cultural dimension and context in which the businesses are immersed.

Despite this theoretical context concerning entrepreneurial leadership in tourism development, there is still less knowledge concerning the extent to which entrepreneurial leadership in the tourism industry in Rwanda is affected; there is no empirical literature that indicates the effects of entrepreneurial leadership on tourism development in Rwanda. The extent to which entrepreneurial leadership in Rwanda contributes to its performance has not yet been ascertained by any research so far, which emphasizes the need to determine the extent to which entrepreneurial leadership and entrepreneurial opportunities contribute to economic growth in Rwanda. This study therefore took an interest in assessing the contribution of entrepreneurial activities in tourism to the economic growth of Rwanda. For tourism entrepreneurship to be successful, participants (policy-makers, entrepreneurs, and the community) should have the ability to identify and act on favorable opportunities for it to produce economic net value for the entrepreneur and for society. Of course, innovation is essential as stated by Churchill and Muzyka (1994: 13):

> Whether done by an individual or a team, there is general agreement that entrepreneurship involves an act by a motivated individual who innovates by creating value through recognizing an opportunity and converting it into a viable product or service. That is innovating in a way that produces net economic value.

However, Churchill and Muzyka (1994: 15) pinpoint:

> Although uncertainty is unavoidable, successful entrepreneurs go to great lengths both to reduce uncertainty through research, and to reduce risk by passing it on to others whenever they can. Thus, rather than saying entrepreneurship involves risk, we should say that... entrepreneurship involves uncertainty, and almost always, the management of risk.
Research into small tourism firms has identified limited marketing and management skills. The development of these firms is restricted by an inadequate understanding of other businesses in the sector and of how to work with them. The capacity to work with other actors has been identified by Laere and Heene (2003) as a core competence of organizations in general and more specifically in the tourism business. Tourism entrepreneurs recognize the fact that many of the skills and resources leading to a small firm’s success exist outside of the firm. The desirability of small tourism firms working together in a form of “consortium” could be seen as a tourism economic policy initiative (Tinsley & Lynch, 2001).

According to Tinsley and Lynch (2001), considering the tourism business networks collectively for a more complete picture in terms of destination development is paramount. Individual networks are still considered but from a tourism business epicenter. Choosing an epicenter can create perspective, angle, and focus. Activities of small businesses within such tourism
destinations are interesting in terms of their contributions towards sustainable economic and community development of the destination. Petrillo and Swarbrooke (2005) add to the understanding of these activities through the concept of micro-clusters as a development model by applying this concept to a concentration of firms in close geographic proximity, where they are bound together by a single community of social and economic interests. Although their number and size may be small, the cooperative and complementary nature of tourism firms is developed through the community’s own needs and values. This interaction enhances their specialization, improves their market potential, and generates opportunities for others. This micro-cluster approach is intended to encourage new growth but at a level that the community can understand and control. A number of significant studies (Morisson et al., 2004; Lynch & Morisson, 2007) have been made on these proposed options within a destination context. In this way, Morrison (2004) establishes the core of a network as inter organizational learning and knowledge exchange, with a sense of community and purpose-giving cohesion. A core element of these communities is that they have been historically shaped by different sociopolitical and economic interactions among actors in a bid to sustain the competitive advantage of the destination. In Lynch’s study of social networks (2000), within the host family operation, those hosts with denser networks are seen as potential targets for influencing quality in the overall host family sector, due to the key role that their contact and dissemination capabilities play within geographical neighborhoods. Lynch (2000) suggests that there may be similar relevance to be found in other accommodation sectors. Lynch and Morrison (2007) emphasize social network analysis in order to understand the impact on destination development of inter-firm interaction among community-embedded small tourism organizations.

In this context, Lynch and Morrison (2007) discuss networks from a sociocultural perspective, and the implications for business. Defining networks as social structures, they help the operators of small firms build a good level of cooperation necessary for them to share in the development of the local tourism product. Furthermore, they include the meaning and acting of family, friends, and acquaintances of the owner and their employees, and the wider cultural dimension in which actors are immersed. The cooperative and complementary nature of tourism firms is developed through the needs and values of the community (Taskov et al., 2011: 434). This interaction enhances their specialization, improves their market potential, and generates opportunities for others. The researchers cited above established the core of a network as inter-organizational learning and knowledge-sharing, with a sense of community and purpose-giving cohesion. The control mechanism of market differentiation is used informally within the destination, regulated
by business community pressure. Community-embedded business networks demonstrate successful control over the destination’s tourism development. For his part, Von Friedrischs Grängsjö (2003) explores destination marketing by small tourism businesses by focusing on the importance of the operators being tied in time and space to tourism. The issue here is to find out whether there exists a relationship that connects company interest and destination interest. The essential meaning of this relationship is that the destination serves the company’s interest and the company serves the destination’s interest. The reason behind this is that, for tourists and entrepreneurs, there is a feeling of one common village community that is part of their common interest and tourism destination package. Tourism destinations are framed as products to be marketed. The point is on consumption of the complex of activities that comprises the tourism experience, and what is sold by place promotion agencies on the tourism market (Ashworth & Voogd, 1990:7).

The natural environment and the built environment of a place can be treated as the place’s valuable assets. These resources or input create the right ambience for the realization of tourism consumption. The tourism destination also stimulates a range of marketing instruments, which are similar to those used by entrepreneurs in fast-moving consumer goods marketing, such as SWOT analyses, branding, market segmentation, marketing mix, market penetration, extension, and development and promotion strategies in order for the destinations to be successfully marketed (Kotler, 1993). Other resources that could be used for further development of a competitive destination brand are natural environment, culture, and history of the destination. With elements from these resources, entrepreneurs could make a differentiation and enhance competitiveness in tourism, since marketing efforts involve the creation and promotion of attractive destination images. The natural environment of a destination, its history, and its culture are part of its core attractiveness. Thus, the process of selection in tourism business is determined by what is perceived to be attractive to the particular tourism segment targeted. Ryan (1991: 102) states that “tourism is not simply about places; it is also about the experience of place, about meeting people, the interaction between host and visitor and with fellow tourists. Of all the service industries it is perhaps the most intangible of all. People save their money and their weeks of escape from work to buy what becomes a memory.” When the word “perceiving” is mentioned, it is good to know that a lot of findings emphasize the importance of entrepreneurial perception. Taskov and colleagues (2013) found that entrepreneurial perceptions of market opportunity were significantly related to entrepreneurs’ efforts to create a venture, and that these efforts, in turn, were significantly related to venture start-up. Entrepreneurs are cognitive agents operating in enacted environments in which the entrepreneur’s key tasks are interpretation, sense-mak-
ing, and the reduction of subjective uncertainty. In line with this creation view of entrepreneurship, some empirical results support a different conceptualization of the opportunity point of view. This perception is what spurs entrepreneurs into action through cognitive processes, social interaction, and the mobilization of resources; entrepreneurs enact these images and thereby create opportunities.

The environmental context has also been considered as an important factor in the organizational and entrepreneurship literatures, as a source of opportunities, increased entrepreneurial activity, and higher performance of new firms. As pinpointed by Taskov and colleagues (2011), entrepreneurial perceptions are key mechanisms through which environmental characteristics influence outcomes such as firm creation. Entrepreneurs’ perceptions of opportunity are influenced by the actual dynamism of the environment. In this way, entrepreneurship may be at the heart of tourism development and economic growth.

3.6 Harnessing entrepreneurship in Rwanda’s leading tourism sector

As seen in the previous chapter, tourism the world over now enjoys a very strong impetus, has registered changing patterns, attracted more players from the demand and supply sides, and witnessed remarkable investment, with the support of new technologies. These dynamics call for change in the way tourism entrepreneurs work, and this has a direct bearing on how the government of Rwanda, and other stakeholders in the industry, craft their policies and strategies to shape and influence travelers, while intensifying their experiences through the provision of expected and accepted quality services.

According to the UNWTO (2013), the main determinants and influencers that are positively shaping the development and growth of tourism include: prosperity, affordability, accessibility, events, culture, globalization, competition, information technology, and climate. Social trends such as changes in leisure consumption expenditure and patterns, product differentiation, demographic shifts, and greater health consciousness are some of the patterns that need to be taken into account. Consumer trends shape the tourist’s choice; hence, the necessity to understand what the consumers want is a prerequisite for the tourism sector the world over, and for Rwanda, in particular, to survive. Through the second “Economic Development and Poverty Reduction Strategy” (EDPRS2) adopted in 2013 to run from 2013 to 2018, Rwanda aims to target at least 200,000 new jobs annually in addition to revenue generation of USD 617 million by 2020.
Since Vision 2020 states that Rwanda strives to be transformed into a middle-income country by the year 2020 (Republic of Rwanda, 2000; 2007), and with tourism being identified as one of the driving sectors of the economy, issues of shortage of skills and competencies, and other related constraints hindering the tourism sector in Rwanda, need to be addressed.

According to EDPRS 2 document (2013-2018), tourism in Rwanda is intended to be used as a vehicle to support other development sectors, such as Information, Communication, and Technology (ICT); manufacturing; and services that provide employment and foster greater business opportunities, while continuing to contribute to the conservation of Rwanda's natural and cultural heritage.

On the basis of RDB statistics (2014), Rwanda raked in USD 303 million from tourism up from USD 293.6 million in 2013 and USD 281.8 million generated in 2012. Tourist numbers were 1,170,000 visitors in 2014, compared to 1,137,000 visitors in 2013, and around 1,076,000 in 2012. Tourism is still Rwanda's largest foreign exchange earner. The country's tourism receipts are also projected to improve further, thanks to product diversification and expected benefits presented by the tripartite single tourist visa approved by Kenya, Uganda, and Rwanda starting in January 2014 (RDB strategic plan, 2013-2018). The USD 100 single visa also gives tourists a seamless opportunity to visit Kenya, Rwanda, and Uganda. Previously, tourists who wanted to visit the three countries would part with about USD 130 in entry visa fees.

In addition, RDB launched an information bureau on May 16, 2014, where information on conferences, accommodation, and restaurant facilities, as well as airlines flying in and out of the country, could be accessed to market Rwanda's potential as a conference hub.41

The growth of investors has helped boost tourism, which has resulted in putting the country in the top end of the tourist destinations in the region. For instance, major international airlines such as KLM, SN Brussels, Turkish Airlines, Qatar Airways, and South African Airlines have opened their routes to Rwanda.42

According to Rica Rwigamba, the then Head of Tourism and Conservation at RDB, “there is a noticeable increase in revenues as we surpassed our targets due to the huge arrival of investors this year (2014) in the tourism industry."43 The above figures of tourism revenues and visitor numbers in Rwanda are important features driving economic growth and generating revenues for the prosperity of the country.

42 Ibid.
The country is also experiencing rapid growth in tourism demand, and asserting itself in the East African Region as an emerging and fast growing tourism destination, as presented in Table 10 below on Rwandan ranking in relation to its peer competitors offering the same products on African continent.

Table 10
Rwanda’s ranking relative to tourism contribution to GDP, Employment, and Investments, 2013

<table>
<thead>
<tr>
<th>Travel &amp; Tourism’s Direct Contribution to GDP</th>
<th>2013 % share</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 Gambia</td>
<td>9.0</td>
</tr>
<tr>
<td>53 Senegal</td>
<td>5.3</td>
</tr>
<tr>
<td>57 Kenya</td>
<td>4.8</td>
</tr>
<tr>
<td>67 Tanzania</td>
<td>4.5</td>
</tr>
<tr>
<td><strong>81 Rwanda</strong></td>
<td><strong>3.7</strong></td>
</tr>
<tr>
<td>Africa</td>
<td>3.6</td>
</tr>
<tr>
<td>90 Uganda</td>
<td>3.3</td>
</tr>
<tr>
<td>100 South Africa</td>
<td>3.0</td>
</tr>
<tr>
<td>102 Namibia</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>World</strong></td>
<td><strong>2.9</strong></td>
</tr>
<tr>
<td>138 Swaziland</td>
<td>2.2</td>
</tr>
<tr>
<td>181 Democratic Republic of Congo</td>
<td>1.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Travel &amp; Tourism’s Total Contribution to GDP</th>
<th>2013 % share</th>
</tr>
</thead>
<tbody>
<tr>
<td>27 Gambia</td>
<td>21.8</td>
</tr>
<tr>
<td>50 Namibia</td>
<td>14.8</td>
</tr>
<tr>
<td>60 Tanzania</td>
<td>12.9</td>
</tr>
<tr>
<td>64 Kenya</td>
<td>12.1</td>
</tr>
<tr>
<td>68 Senegal</td>
<td>11.6</td>
</tr>
<tr>
<td><strong>World</strong></td>
<td><strong>9.5</strong></td>
</tr>
<tr>
<td>85 South Africa</td>
<td>9.5</td>
</tr>
<tr>
<td><strong>89 Rwanda</strong></td>
<td><strong>9.3</strong></td>
</tr>
<tr>
<td>Africa</td>
<td>8.5</td>
</tr>
<tr>
<td>112 Uganda</td>
<td>7.9</td>
</tr>
<tr>
<td>158 Swaziland</td>
<td>4.8</td>
</tr>
<tr>
<td>184 Democratic Republic of Congo</td>
<td>2.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Travel &amp; Tourism’s Direct Contribution to Employment</th>
<th>2013 % share</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Gambia</td>
<td>7.4</td>
</tr>
<tr>
<td>58 South Africa</td>
<td>4.6</td>
</tr>
<tr>
<td>63 Namibia</td>
<td>4.5</td>
</tr>
<tr>
<td>66 Senegal</td>
<td>4.5</td>
</tr>
<tr>
<td>76 Kenya</td>
<td>4.1</td>
</tr>
<tr>
<td>82 Tanzania</td>
<td>3.8</td>
</tr>
<tr>
<td><strong>World</strong></td>
<td><strong>3.4</strong></td>
</tr>
<tr>
<td><strong>100 Rwanda</strong></td>
<td><strong>3.1</strong></td>
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<tr>
<td>Africa</td>
<td>2.9</td>
</tr>
<tr>
<td>111 Uganda</td>
<td>2.8</td>
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<tr>
<td>147 Swaziland</td>
<td>1.9</td>
</tr>
<tr>
<td>183 Democratic Republic of Congo</td>
<td>0.8</td>
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</table>

<table>
<thead>
<tr>
<th>Visitor Exports Contribution to Total Exports</th>
<th>2013 % share</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Gambia</td>
<td>59.2</td>
</tr>
<tr>
<td><strong>32 Rwanda</strong></td>
<td><strong>33.9</strong></td>
</tr>
<tr>
<td>48 Uganda</td>
<td>19.6</td>
</tr>
<tr>
<td>50 Tanzania</td>
<td>17.6</td>
</tr>
<tr>
<td>53 Kenya</td>
<td>17.3</td>
</tr>
<tr>
<td>61 Senegal</td>
<td>16.0</td>
</tr>
<tr>
<td>82 South Africa</td>
<td>9.4</td>
</tr>
<tr>
<td>95 Namibia</td>
<td>7.9</td>
</tr>
<tr>
<td><strong>World</strong></td>
<td><strong>5.4</strong></td>
</tr>
<tr>
<td>171 Swaziland</td>
<td>1.1</td>
</tr>
<tr>
<td>183 Democratic Republic of Congo</td>
<td>0.1</td>
</tr>
</tbody>
</table>

3.6 Harnessing entrepreneurship in Rwanda’s leading tourism sector

When looking at the three components used in ranking the driving forces of the performance of tourism in economic growth, such as GDP, employment, and investment, Rwanda is performing rather well relative to its regional competitors offering almost the same products in Africa, in general, and particularly in East African countries such as Kenya, Uganda, and Tanzania (see table 11 below).

<table>
<thead>
<tr>
<th>Table 11</th>
</tr>
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<tbody>
<tr>
<td>Travel and Tourism Competitiveness Index 2013 Ranking</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall index</th>
<th>All countries</th>
<th>Sub-South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>96</td>
<td>8</td>
</tr>
<tr>
<td>Rwanda</td>
<td>105</td>
<td>9</td>
</tr>
<tr>
<td>Tanzania</td>
<td>109</td>
<td>12</td>
</tr>
<tr>
<td>Uganda</td>
<td>116</td>
<td>13</td>
</tr>
<tr>
<td>Burundi</td>
<td>138</td>
<td>30</td>
</tr>
</tbody>
</table>


According to Africa Pulse report – World Bank (2013), the competitiveness of Rwanda in this report may be attributed mainly to the core eco-tourism products at the heart of its development, which hinges on the natural environment (volcanic mountains and the natural parks). The biggest selling product over the past years has been anchored in mountain gorilla tourism and the experience around these primates. However, Rwanda risks potential setbacks if the issues adversely affecting its tourism potential development and competitiveness, such as human resources development, limited public/private dialogue, differences in the industry vision among key players, unsuitable investment policies especially in remote areas, and related incentives especially among local entrepreneurs, and lack of coordination in product development and tourism marketing, are not properly and quickly addressed in this development process, as spelled out in its ten-year tourism master plan, which states:

...through well-managed marketing, development and public-private partnerships, Rwanda will become established as a leading wildlife and eco-tourism destination and a regional conference hub, with a high quality, diversified tourism product that makes a growing contribution to the overall socio-economic development of the country (STMP, 2009: 3).
The analysis of this tourism vision raises three main issues. First, for it to be attained, there is need for strong collaboration between the private and public sectors, and local communities, with the support of different local or international organizations, as well as integration of domestic and international tourism shares and revenues from a national economy perspective. Second, Rwanda has shown, and continues to demonstrate leadership in applying responsible environmental practices in flora and fauna, through adherence to environmental legislation, and encouraging conservation and sustainable usage of natural resources. Rwanda is also putting forward ethical standards as a priority through tourism in order to minimize social, economic, and environmental harm. Third, spreading benefits in the community by fully engaging local communities not only in tourism development but also in entrepreneurship remains a key milestone to achieve. At the same time, a cultivated and well-trained workforce needs to be established through adequate and appropriate capacity building programs in order to meet the needs of the changing human resource professional development, training, and management requirements.

Despite the political will as spelled out in the above vision, the 2014 Report of the Chamber of Tourism (p. 13) estimates that full participation in tourism activities and the engagement of key players, including the local community and entrepreneurs, is still at an early stage of development, and the coalition and dialogue between private and public sector members could shape the tourism strategies, policies, and laws.

The issue of shortage of skills and competencies of the labor force, entrepreneurial, technical and managerial skills, as well as product development and diversification that could create a longer stay for tourists and respond to the various diversified needs and wants of high-end customers may come as a hurdle for the country. Owing to the intention of the government to cater for the needs of targeted high-end and eco-tourism markets, different studies such as “Poor Customer Service and Its Impact on the Rwandan Economy” (2009), “National Customer Satisfaction Survey” (2013), the “Rwanda Skills Survey” (2012), WDA (2013) have shown that the hospitality industry, which is the backbone of the economy of Rwanda, faces severe labor shortages, especially in the technical area (i.e., supervisors, mid-level management, and assistant chefs) with a 96% deficiency. As for trained waiters and cleaners, the deficiency is recorded to be as high as 70%. According to WDA (2013), the shortage of skills in the hospitality sector is as serious in the other sectors, where the gap among professionals is 55%, technicians 12%, and artisans 53%. The same study specifies that the severity of the shortage, especially at the professional and supervisory levels, without doubt impacts on the quality of the tourism products offered.
In addition, even though, many efforts are underway to diversify the tourism product, such as the launch of Congo Nile Trail in Gisenyi, new bird watching routes, the cultural tourism center in Rulindo, and the revival and elevation of Gishwati National Conservation Park as the newest national park in Rwanda, etc., they are considered by tourism stakeholders as not enough and taking too long to start.

Furthermore, access and infrastructure need to be improved especially at destinations in remote areas. The quality of facilities and services in many areas, including accommodation, restaurant services, and tour guiding, are still inadequate or nonexistent by international standards. In spite of the complexity and sophistication of the general tourism sector, some important components of the tourism sub-sectors have to be packaged in a holistic manner in order to accommodate diverse tourism experiences. Improvements are also required with respect to the quantity and diversity of Rwanda’s tourism products, the quality of the services offer, and linkages within the sector and with other sectors. In all this, the role of entrepreneurs and other key players in policymaking is of capital importance. As stated by Kruger (2011), there is also need for a strong tourism institution in the public sector to coordinate with other government departments and other stakeholders to remove obstacles to development.

In conclusion, this chapter has argued that a comprehensive approach to the promotion of tourism entrepreneurship relies primarily on two main pillars: harnessing the entrepreneurial skills of key players in the tourism sector, and improving entrepreneurial and macroeconomic conditions. The literature reviewed, both theoretical and empirical, on instruments to generate growth and jobs has relied in the past on policies focusing on macroeconomic conditions. But, since the role of entrepreneurship is changing dynamically and evolving from large establishments to small and medium-sized enterprises (Audretsch et al., 2006), this chapter suggests that, though such policies are important in creating a conducive environment for individual entrepreneurs to access the necessary means and flourish, these policies alone are not enough to generate such needed growth and employment. A set of policies focusing on promotion of an entrepreneurship policy could be an important drive for generating growth and jobs, and could serve as a vehicle for innovation and change, and hence as a conduit for technology and knowledge spillovers, an issue that has been stressed by Acs and Audretsch (2010) as imperative for future prosperity. Thus, on the one hand, entrepreneurs do not act in a vacuum; how they use their skills and motivations to transform

business ideas into profit opportunities is sharpened by prevailing macroeconomic conditions and entrepreneurship policy, as well as the level of entrepreneurship development in a given country. On the other, the entrepreneur’s attitudes, skills, and motivations play an important role in economic growth. The government, as a policy instigator, can establish the needed and appropriate entrepreneurial policies and strategies, which can facilitate individual entrepreneur’s and SME development as a whole, so that they flourish through a dedicated focus that creates a pool of quality and quantity entrepreneurs who can lift tourism performance up to another level of development.

The next chapter provides the justification for the methodology used, and covers relevant issues pertaining to qualitative research approaches and methods followed in this study to attain the intended research objectives.
Research Methodology

4.1 Introduction

A research methodology refers to a procedure that the researcher uses systematically to try to find, with verifiable data, answers to research questions (Leedy, 1993). This chapter looks at the four broad components of a research methodology. First, it looks at the various research methods in order to understand how entrepreneurs, policy-makers, and employees working in the tourism sector in the study areas perceive tourism entrepreneurship, and whether there are tourism entrepreneurial opportunities they can tap for the economic growth of Rwanda. It extends further to those factors that are affecting tourism and entrepreneurship development, and the kind of government policy interventions needed to sustain tourism business and subsequently propel economic growth. Second, this chapter elaborates on the methods that are employed in the research. Third, this chapter reviews the relevant literature that underlines the use of these research methods. Finally, this chapter describes how the data were constructed and analyzed in order to arrive at the answers to my research questions. It provides an understanding of how entrepreneurialism in tourism leads to economic growth in Rwanda, with an emphasis on strategies used for policy formulation in a bid to increase income generation. This chapter provides a research strategy that specifies how the research was conducted in order to address the research questions set out in chapter one. According to Cooper and Schindler (2006:138), Saunders and colleagues (2000: 90), and Welman and colleagues (2005:2), the research strategy is defined by different scholars as comprising a general plan of how a researcher goes about answering a set of research questions and methods employed to achieve such a process.

The first part of this chapter describes how the research questions were derived, by narrowing down the context and focus of the research problem by selecting and describing the various aspects that were important to an-
answer the central research question. The objectives of the research are then described in relation to the research questions. In the second part of the chapter, the construction of the research design shows the research methodology as the general implementation and execution plan. The third part focuses on the data collection and construction procedures; the data collection instrument is described and the way that its validity and reliability have been grounded. In the final part, the data analysis procedures are described.

### 4.2 Research methodology process

Urwin and Burgess (2007: 28) note that a research methodology is a tool for organizing the process of data construction and collection. The construction process of the research methodology chosen thereafter follows the logical and progressive sequence of the research design as outlined in figure 23 below. Welman and colleagues (2005: 2) describe the research methodology as the process of considering and explaining the logic behind the research methods and techniques used as means to explore a phenomenon. Cooper and Schindler (2006: 31) add that, through the use of methods and techniques that are scientifically defendable, the researcher may come to a conclusion that is valid and reliable. My research process includes the development of questionnaires and an interview guide as primary research instruments on which I based the data from the participants in the study areas. Both primary and secondary data are used to generate and construct the required information.

### 4.3 Research design strategy

The research design strategy involves how the research procedures, methods, and techniques are applied to answer the research questions. It is a blueprint detailing how the research methodology, participants, and data construction procedures and research instruments are implemented.45

In deciding on the research design, the research examines the time dimension, the research intention, and the nature and source of the data to be constructed (Nyanjom, 2007: 50).

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4.3 Research design strategy

4.3.1 Time frame

This study opted to look at answering the research question from a standpoint in time, hence its consideration as a cross-sectional study (Cooper & Schindler, 2006: 141). This differs from longitudinal studies, which are continuously repeated over an extended period of time and involve examining the same group at different time intervals (Welman et al., 2005: 95).

4.3.2 Research purpose

This research is intended to achieve not only academic knowledge, whereby the researcher tries to understand and get more insight as to whether tourism entrepreneurship influences economic growth in Rwanda but it also intends to shed light on important theoretical policy orientations and practical considerations that may lead to changing the tourism sector landscape in order to reach new heights of economic growth in the context of Rwanda. It is assumed that an increased role for individual entrepreneurs and policy-maker interventions in designing an entrepreneurship policy may shape, sustain, and add value to entrepreneurialism in tourism in Rwanda.

4.3.3 Type of data and scope of the research design

The research questions developed in this research give rise mainly to a qualitative study used as a way of highlighting key issues under study and expanding the researcher’s knowledge of the case areas. Along that line, this research has followed a qualitative interpretive approach framed by an acknowledgement of the philosophy that knowledge is socially constructed and that there can indeed be multiple perspectives on a single subject. This research aimed at understanding the phenomena within the scope of this study in order to develop conceptual insights rather than test a hypothesis (Novelli et al., 2008). Qualitative research methods were deemed appropriate to allow formalization with the subjects on the findings in chapter five. It enabled the views of participants in the research to be included, and also encouraged listening to the knowledge and opinions of key informants considered to be tourism entrepreneurs and policymaking experts in Rwanda.

The qualitative aspect of this research was underpinned by secondary data generated from various sources, mainly reports, studies, international agencies studies, and reports and official government documents.
The above research design has been simplified from Cooper and Schindler (2006: 136) by narrowing down the context and focus of the research questions. It recognizes that the research design refers to the nature, and kind or type of research, following the components of research design outlined in figure 21 above.
4.3.4 Selection of the areas of study

Miles and Huberman (1994) claim that qualitative researchers usually work with small samples, embedded in their context and studied in-depth; the latter tends to be purposive rather than random. The three development management areas (DMA), namely Kigali hub, Volcanoes DMA (located in Musanze District), and Gisenyi DMA (located in Rubavu District), as case studies used for this research, were chosen using a purposive sampling method. They were chosen following a theoretical, rather than a statistical logic (Bryman, 1988), which, according to Mason (2002), means selecting groups or categories to study based on their relevance to the research questions, the researcher’s theoretical position, and the explanation that the researcher has developed in chapter one. This approach to case selection has allowed the researcher to choose the above cases because they likely represent the whole country, since most of total revenues (more than 90%) generated from tourism activities relate to those DMAs. The researcher drew the three cases purposively from a sample of seven DMAs located in Rwanda, as shown in figure 6, and acknowledges their importance as popular destinations in Rwanda and existing opportunities for study. This immediately provides a focus for the areas selected for this research. The Rwanda Development Board classifies Development Management Areas in terms of their level of development as follows (Government of Rwanda/UNWTO, 2009: 9):

- **Established Tourist Areas**: Potential tourism areas defined as areas that have the ability to achieve continuing sustained growth.
- **Developing Tourism Areas**: Areas that have already shown a significant potential for tourism growth.
- **Special Interest Tourism Areas**: Tourism business in these areas is relatively limited but with potential to grow if given emphasis.

This categorization supplies the basis, on which these areas of study have been chosen. Kigali Hub has been selected as a case because it is already an established main tourism destination in Rwanda with ability to achieve sustained growth. According to the Sustainable Tourism Master Plan (2009:99), Kigali is identified as the main hub and has established the following developments:

- Kigali Tourism Quarter Urban Design Strategy
- Visitor Center
- Mixed Use Tourism Center (accommodation, boutique shops, restaurants, cinema, craft center/sales and support service/facilities, etc.)
- Kigali Hotels and Country Club.
Volcanoes DMA has also been chosen because it is already an established tourism destination owing to its strategic home to mountain gorillas and yearly naming ceremony events for baby gorillas born each year, and as an example of the government of Rwanda’s conservation effort. In line with the Sustainable Tourism Master Plan (2009: 99), Volcanoes DMA has the following development plans:

- Volcanoes National Park Boundary Extension
- Volcanoes National Park Product Diversification Program (trails, climbs, birds, chimpanzees)
- Ruhengeri Townscape Improvement Program
- Consolidated Resort Complex – high-end market
- Volcanoes Community Action Plan
- Volcanoes Long-term Lakeshore Integrated Resort (spa and wellness).

Regarding Gisenyi DMA, this case has been chosen because it has shown significant potential for tourism growth and has recently been given prominence by the government in terms of tourism development. In line with the Sustainable Tourism Master Plan (2009:100), Gisenyi DMA has the following developments:

- Beach improvement program to include central facilities (restaurants/bars, concessions for hawkers/crafts/beach chairs/umbrellas, toilets, showers, furniture, etc.).
- Development of boat access/tours, beach/water sports zoning plan.

Volcanoes DMA and Gisenyi DMA are connected to Kigali Hub by a good road. The drive to Volcanoes DMA from Kigali is 2 hours, and 4 hours from Kigali Hub to Gisenyi DMA. Public transport from Kigali to Volcanoes DMA or to Gisenyi DMA is available or from Gisenyi to Volcanoes DMA. From Kigali, there is a road that passes first through the hilly areas around Mount Kabuye and then turns west to head along the southern edge of the Virunga volcano chain, before ending up at Gisenyi on the shores of Lake Kivu. Gisenyi is the closest town to Volcanoes DMA and a popular base for gorilla trekking. In order to access the respondents and interviewees in those three DMAs chosen to represent all the DMAs located in different parts of the country as shown (figure 6), a questionnaire and interview guide have been developed and given to entrepreneurs operating in those three DMAs selected for this research, and to policy-makers from Rwanda Development Board, and the Ministry of Trade and Industry (MINICOM) in charge of the tourism sector, and local authority officials, specifically the vice-mayors in Musanze and Rubavu Districts, as well as the president of the city council in Rubavu District. Those local authorities are the ones in charge of economic affairs, un-
der which tourism activity falls. The questionnaire and interviews were also
given to tourism business owners and managers of tourism establishments in
Kigali City, and Musanze and Rubavu Districts, respectively.

4.4 Data construction design and methods

4.4.1 Data construction design

Neel (2010:1) contends that research is either “primary” or “secondary,” de-
pending on the source of information. She further argues that primary data are
constructed directly through research instruments, while secondary data are
basically constructed by someone else. This research was conducted through
the use of a combination of these two types of research data construction.
The first type is secondary data, which critically discusses the viewpoints of
researchers and scholars on entrepreneurialism in tourism, and its impact on
the economic growth of a country in general, and particularly on economic
growth in Rwanda. Extracts from relevant theoretical literature and empir-
ical data were used to inform the research methods used in this study. The
extracts provided direction for answering the research questions.
The second type of data are primary data that involve fieldwork, which
suggests that the researcher is going beyond library and desktop research,
and into the practical terrain to obtain the views of the respondents, either
through a questionnaire or through interviews. The process of constructing
primary data is explained in this chapter as research design, target partici-
pants, sampling and research instrumentation, data analysis, as well as in-
terpretation of data and discussion of the findings. For the purpose of this
study, the researcher has decided to use questionnaires for people who were
not available, and for semi-structured interview as instruments of data con-
struction, because the researcher wanted to obtain more insights from key
informant and policy-makers in Rwanda, in a bid to achieve more under-
standing about how tourism entrepreneurship leads to economic growth in
Rwanda and about those factors that affect tourism development.

4.4.2 Methods

This research employs a qualitative inquiry method in terms of philosophi-
cal assumptions, strategies of inquiry, methods of data construction, analy-
sis, and interpretation (Creswell 2009: 173). According to Denzin and Lin-
colin (2000: 8), a qualitative research approach emphasizes the processes and
meanings, referring to the what, how, when, and where of them. Qualitative
research thus refers to the meanings, concepts, definitions, characteristics, symbols, and description of things (Berg, 2007). The research questions used stress the relationship between the researcher and subjects, as well as the situational constraints that shape the inquiry (Denzin & Lincoln, 2011).

This research demanded an interpretivist approach and qualitative methodology, which aims to interpret and understand people’s meanings that are attributed to different contexts and actions, and also it acknowledges an observer as a part of the observed process (Burrell & Morgan, 1985; Sarantakos, 1998).

Multiple sources of data were preferred, and this required the researcher to review all data, make sense of them, and organize them into categories or themes that cut across all sources from the bottom up, and wherever possible, the researcher shifted the process in response to the field.

The researcher interpreted what was seen, heard, and understood in light of the researcher’s background, history, context, and prior understanding of the tourism landscape in Rwanda. Based on that, the researcher tried to develop a complex picture of the problem by reporting multiple perspectives and identifying multiple factors involved so as to give meaning to the research questions. The data consisted of multiple choice and open-ended information that the researcher gathered through questionnaires and semi-structured interviews with participants. The open-ended questions allowed the participants to supply answers in their own words. The analysis of the qualitative data typically followed the path of aggregating them into categories of information and presenting the diversity of ideas gathered. I explored processes, activities, and events regarding entrepreneurialism in tourism, and how this influences the economic growth of Rwanda.

In that process, for administering the questionnaire to the entrepreneurs in the tourism business sector during the groundwork, I used research assistants chosen purposively and on a convenience basis among the undergraduate students of Rwanda Tourism University College, who I supervised in their undergraduate dissertations, from the tourism and hospitality fields. I trained them on how to distribute and collect the forms of questionnaires. After the training, the research assistants took the questionnaire forms, and went to the selected entrepreneurs obtained from the Rwanda association of travel and tour operators, and the Rwanda Hospitality Association. Those entrepreneurs are located in Kigali DMA Hub, Volcanoes DMA, and Gisenyi DMA. Thereafter, the research assistants collected the questionnaires at an agreed appointment time, after they were completed. The questionnaires for policy-makers from RDB, MINICOM, and district authorities were delivered to their respective offices, where the respondents were at their workstations. It was left with the respondents for completion. The respondents all called
me individually to pick up the completed questionnaires after they were filled in, or returned them via my e-mail, for those who had requested the questionnaire via e-mail.

The researcher grouped the respondents into two groups for purposes of data collection, as follows:

a. The entrepreneurs operating in the hospitality sector in Kigali Hub, Volcannoes DMA, and Gisenyi DMA, composed of employees at supervisory level and business owners.

b. The policy-makers made up of employees of RDB, MINICOM, and district authorities of Musanze and Rubavu.

The identification of the two groups of respondents resulted in the construction of two questionnaires, that is, a questionnaire for the entrepreneurs and a questionnaire for the policy-makers who were not available for interviews (see appendices 2.1 and 2.2).

This research was conducted using a set of questionnaires intended for 62 individual entrepreneurs in the tourism sector, at the ownership level, and senior and junior managers at the supervisory level and ownership level, and 9 policy-makers who work with the Ministry of Trade, Industry, and Tourism Promotion (MINICOM); Rwanda Development Board (RDB); and local authorities in Musanze and Rubavu DMAs, who serve as research participants. In addition, a semi-structured interview was organized for ten key informants, composed of 7 individual entrepreneurs and 3 policy-makers who serve as catalysts and agents of change for entrepreneurship development in the tourism sector in Rwanda. The main focus of the study was to analyze to what extent tourism entrepreneurship has been used in terms of contributing towards increased income generation and subsequently towards economic growth in Rwanda, and how political will and economic policies and strategies have shaped entrepreneurial opportunities within the sector.

4.5 Research population, and sampling method and frame

As mentioned above, the population used in this study is composed of individuals working as entrepreneurs, owners, and managers at the supervisory level in different tourism businesses in the study areas chosen, as well as policy-makers working with RDB and MINICOM in Kigali and vice-mayors in the Districts of Musanze and Rubavu in charge of economic affairs, as well as presidents of the district councils in Rubavu and Musanze.

Welman and colleagues (2005: 53) describe a research population as the full set of cases, from which a sample is taken. It encompasses the total col-
lection of all the units, about which the researcher wishes to make specific conclusions. Wisniewski (2006: 205) states that a population relates to the entire set of items under consideration. However, it was impracticable to give a questionnaire or to interview all the entrepreneurs and policy-makers within the study areas because of budget and time constraints, which prevented me from surveying the entire population. To ensure that the constructed data covered all the research questions, I selected a sample size. This was a decision-making process in which I had to choose a sampling method that allowed me to arrive at the sample size that suited the study at hand (Sontakki, 2006:13). The choice of the sample size was informed by two factors, namely the confidence that I wanted to have in the data constructed and my extensive knowledge of the tourism sector in Rwanda as the Vice Chancellor of the University of Tourism, Technology and Business Studies formerly known as Rwanda Tourism University College (RTUC).

In this study, I used the purposive sampling method, and I sampled 71 respondents to be issued with questionnaire in the study area to arrive at well-established relationships between categories of the study. A sample of 71 out of 200 registered tourism entrepreneurs at RDB and 9 policy-makers was considered a purposeful potential sample to obtain the information required to answer the research questions, since the goal pursued here was credibility (Patton, 2001). The questionnaires for the study contained 47 multiple-choice questions embedded with open-ended questions for entrepreneurs and 45 for the policy-makers for each category of the respondents. The sample size was drawn from the total number of entrepreneurs listed in the Rwanda Hospitality Association (RHA) and Rwanda Tour and Travel Association (RTTA), respectively, with a criterion of having more than 4 employees as provided by the Rwanda Development Board, One-stop Center, as of May 2013. Ten policy-makers were chosen purposively, considering their role and high level of involvement in the tourism sector in Rwanda, to participate in the semi-structured interview as key informants. The total number of the participants and level of involvement in the tourism sector in Rwanda was deemed to be important and adequate for the purpose of collecting information and constructing the empirical data required to answer the research questions and achieve the objectives of the study. The sample was chosen by ensuring that it was large enough and deemed credible.
4.5 Research population, and sampling method and frame

Table 12
Population and sample selection of respondents (entrepreneurs) by DMA under study

<table>
<thead>
<tr>
<th>Province</th>
<th>Development Management Areas (DMAs)</th>
<th>Number of registered entrepreneurs available (Total population)</th>
<th>Number of registered entrepreneurs selected by sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number</td>
<td>% of total population</td>
</tr>
<tr>
<td>Kigali City</td>
<td>Kigali City Hub DMA</td>
<td>100</td>
<td>50%</td>
</tr>
<tr>
<td>Northern Province</td>
<td>Volcanoes DMA (Musanze)</td>
<td>50</td>
<td>25%</td>
</tr>
<tr>
<td>Western Province</td>
<td>Gisenyi DMA</td>
<td>50</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>200</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Own compilation based on RHA, RTTA, & RDB data, 2013.

Table 12 above indicates the sample size of individual entrepreneurs selected from the population frame, categorized into the respective provinces and related DMAs. The sample size refers to the number of sample units that constitute the sample. The sample size of a research study is important for the following reasons, as stated by Welman and colleagues (2005: 70):

- It affects the confidence or faith attached to the results of the study.
- The number of 71 entrepreneurs purposively chosen out of the 200 entrepreneurs and 9 policy-makers chosen conveniently as a sample of 80 people to be issued with questionnaire for this study was deemed credible for this research.

Having arrived at the sample size of 71 respondents out of a population of 200 entrepreneurs, I had to decide on the best sampling method for the research. There are two sampling methods, namely probability sampling and non-probability sampling (Salkind, 2000: 87). In probability sampling, every element of the population has a known, non-zero probability of selection. For policy-makers, I decided to use the non-probability sampling method called “convenience sampling,” because I thought it was the most applicable method. Convenience sampling is sampling that involves selecting sample elements that are most readily available to participate in the study and that can provide the required information (Bhattacharyya, 2003: 91). To obtain data from entrepreneurs and their managers in different companies, I used field workers. The latter used one approach to reach the respondents for data construction. This was the door-to-door approach, after I had secured an appointment, and the field workers visited them at their work places and left
the questionnaire with them to be picked up at a convenient time or to be sent via e-mail.

Regarding the sample frame, it was chosen from the total number of companies with over 4 employees and more than 3 million Rwandan francs\textsuperscript{46} as turnover, and considered as small, medium, and large enterprises (Government of Rwanda, SME-Development Policy, V180610, 2010:7). A sample frame is a complete list, in which each of the units considered for analysis is mentioned only once (Durrheim, 2006:49). According to Cooper and Schindler (2006:426), sampling is based on two principles. The first principle is drawn on similarities among the elements in the population that will adequately represent the characteristics of the total population. The second principle is based on the presupposition that, in a selected sample, some elements may underestimate the value attached to a population, while others overestimate such a value. The resultant value derived from aspects like arithmetical means provides a good estimate of the population mean. To this end, it is therefore prudent to ensure that a good sample is selected in order for the research to be meaningful.

### 4.6 Pilot study

Kinnear and Taylor (1996:355) recommend that a questionnaire should be well studied and revised prior to carrying out the final study. With this in mind, a pilot study was conducted in Kigali in December 2013, prior to distributing the final questionnaire and undertaking the final interviews. As suggested by Veal (2006), a pilot study allows the researcher to evaluate factors such as the wording of the questions, question sequencing, layout, and time required for completing the questionnaire. I have used the pilot study as a preliminary investigation to collect pre-knowledge on the main study to be conducted later. I conducted a small-scale exploratory study without applying rigorous sampling procedures. Handley (2001:5) states that the validity and reliability of the research instrument are essential when a research project is planned. In this study, the main thrust of the pilot study was to test the validity and reliability of the research instrument. Reliability refers here to the examination of the stability or consistency of responses, while validity is based on determining if the findings are accurate from the standpoint of the researcher, the participant, or the readers (Creswell, 2009:190). I used the two questionnaires, namely the questionnaire for the entrepreneurs op-

\textsuperscript{46} 1 Euro=910 Rwandan Francs on October 18, 2013, exchange rate from National Bank of Rwanda.
erating in the tourism sector and the questionnaire for the policy-makers, to collect data during the pilot survey. Subjects were drawn from the target population, and simulated procedures and protocols were designated for the main data collection.

The pilot study questionnaires were distributed among 20 respondents selected conveniently from the study area: that is, 10 entrepreneurs in Kigali Hub, 5 in Volcanoes DMA, and 5 in Gisenyi DMA.

The questionnaire for the 71 entrepreneurs was administered by the research assistants, and the respondents answered the questions in their presence or gave them appointments to pick them up thereafter. The policy-makers’ questionnaires were delivered to the respondents, and were collected later or sent by e-mail to the researcher. During the analysis of the results of the pilot study, the researcher observed the following. First, the respondents understood the benefits of the study and were willing to participate in it, and the response rate was 100%. Second, the results of the pilot study showed that the questionnaire should be separate for entrepreneurs and for policy-makers. Third, there was a common understanding of the questions by the respondents. The pilot study helped me to eliminate ambiguous and irrelevant questions. For example, initially, I had 47 questions for policy-makers, but, after a pilot study, this was reduced to 45 questions. From the comments of the respondents, two questions were judged irrelevant for policy-makers.

The pilot interviews were not included in the data construction for two reasons. First, the results of the pilot study showed that the questionnaire was to be divided into two: the questionnaire for the entrepreneurs and the questionnaire for policy-makers. This means that the questionnaire for the main study was not exactly the same as that of the pilot study, and, if used, some of the questions would have been answered by one group and not another. Secondly, I decided to reduce the number of open-ended questions and to rephrase long questions to minimize the reading time, and allow the entrepreneurs and policy-makers, who are usually busy, to attend to all the questions and increase the rate of answers. This implied that the instructions in the questionnaire for the main study were revisited and adapted to the context of the respondents.

Based on the pilot study, revisions were made in relation to the wording of certain questions, whereby an addition was made to some initially closed-ended or multiple questions, requiring the respondents to express why this was their choice. The sequence and the layout of the questionnaire were reviewed as well. Revisions included the grouping of the questionnaire by putting together the questions for entrepreneurs and the questions for policy-makers. This helped to establish a rapport, while also providing important background information. In addition, some questions, which were originally multiple-choice formats, were made open-ended to let the re-
spondent express his opinion or belief on the factors that influence tourism entrepreneurship in Rwanda. Because some respondents had difficulty answering this type of question, some questions were adapted to include a Likert scale enabling them to rate different factors underlying them. One key amendment was that I originally considered asking respondents to complete the questionnaire on their own, but realized, during the pilot, the benefit of administering the questionnaire through use of a face-to-face approach as this provided in-depth information and ensured all questions were attempted due to additional explanations or comments to make the question clearer, while also enabling me to query respondents with regard to potential interview candidates. The pilot provided me with the approximate time required to complete the questionnaire during the actual research process.

4.7 The main study

Before embarking on the main study, the following actions were taken, partly based on the shortfalls revealed by the pilot study:

- Certain questions, both for the questionnaires for the entrepreneurs and policy-makers, were rephrased and shortened so as to minimize response time.
- Instructions were revised and the questionnaire separated into two versions, one for the entrepreneurs and another for policy-makers, and were rephrased and made much clearer.
- Copies of the questionnaires for the entrepreneurs and for the policy-makers were printed.

I used two questionnaires for data construction. The two questionnaires – that is, for the entrepreneurs and the policy-makers – were administered partly by the field research assistants. As mentioned above, I decided to use fieldworkers for the administration of the questionnaire for entrepreneurs and policy-makers partially because of the distance of the location of the respondents, a large sample size, and my busy schedule. I chose and trained six fieldworkers to distribute and collect the questionnaires. The level of education required from the six research data collectors was a bachelor’s degree in Travel and Tourism Management or in Hotel and Restaurant Management, and proficiency in English. To ensure that constructed data were accurate and reliable, the fieldworkers were provided with appropriate and clear instructions on how to use the instruments and to conduct the survey. I did this to ensure that the questionnaires were well handled in the research areas where the entrepreneurs and policy-makers were given questionnaires.
to complete. During the training, the fieldworkers were provided with an example of a completed instrument for reference purposes. The researcher went through the instrument with the team of fieldworkers and pointed out specific critical instructions. The fieldworkers were given the opportunity to role-play data collection by administering the questionnaire.

The researcher sent a letter to the identified entrepreneurs and policy-makers, asking for consent to conduct the research in the study area, and also for support and participation (see appendix 2). The letter outlined the purpose and the nature of the study. Each questionnaire was accompanied by a cover letter inviting the respondents to complete the questionnaire. The cover letter also assured the respondents of the confidentiality of the information obtained from them, as well as anonymity and protection of their privacy. The collection of the questionnaires from the entrepreneurs and policy-makers was done by either the fieldworkers or myself at the end of the survey, depending on who distributed them. These questionnaires were left with the respondents for them to find more time to attempt all the questions or to send them by e-mail, after they had been answered. This was done for two important reasons. First, the entrepreneurs and policy-makers are busy during the day and would need to respond to the questionnaires during their spare time. Second, I did not want to disturb them in carrying out their service-delivery obligations to the public, or serving their customers, or being busy with other related daily activities.

4.8 The questionnaire

The elaboration of the questionnaire is a pivotal aspect of this research process. The data construction method chosen has a major impact on how different activities for the rest of the research project are undertaken (Polonsky & Waller, 2005:105).

4.8.1 Administration and types of the questionnaire

The questionnaire was administered to 71 entrepreneurs and 9 policy-makers in the tourism sector, that is, 32 entrepreneurs and managers in Kigali, and 7 policy-makers, 20 entrepreneurs and managers in Musanze, and 1 vice-mayor and 19 entrepreneurs and managers in Rubavu. The owner, the CEO, and managers at the supervisory level were targeted in each tourism establishment, while 7 directors in the public sector (MINICOM & RDB) and 2 vice-mayors at the district level were targeted as policy influencers. The questionnaire was channeled through the CEO or the owner, who randomly
selected the participants for the entrepreneurs, while, for policy-makers, the questionnaire was handed straight to them. The distribution involved a data construction process, in which the questionnaire was delivered through the following steps shown in the table 13 below.

### Table 13
Population and sample selection by DMA under study

<table>
<thead>
<tr>
<th>Step</th>
<th>Process</th>
<th>Time frame</th>
<th>Kigali DMA</th>
<th>Volcanoes DMA</th>
<th>Rubavu DMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Established contact with the CEO/owner of the Tourism establishments and other entrepreneurs in the tourism sector, plus policy-makers. The policy-makers in RDB and MINICOM were purposively selected to complement the questionnaire, as key informant people who support entrepreneurship development in their daily activities; therefore, they were sought to gather information about the subject under study. The participants were given a brief overview of the research before answering the question or before participating in the interview.</td>
<td>June-July-August (2013)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2</td>
<td>Obtain their consent to participate in the research.</td>
<td>June-July-August 2013)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>3</td>
<td>Booked appointment with policy-makers purposively chosen to explain in details the aim of the research and to invite them to participate in the research.</td>
<td>August 2013</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>4</td>
<td>Book appointment or contact entrepreneurs using the telephone, give them the questionnaire or/send them the questionnaire through field assistants or by e-mail for completion, indicating the purpose of the research.</td>
<td>July-October 2013</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>5</td>
<td>Follow responses personally door-to-door, or use assistants to collect them or to remind them to send the feedback by e-mail.</td>
<td>July-October 2013</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>6</td>
<td>Followed up e-mails through reminders and telephone reminders.</td>
<td>October 2013</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>7</td>
<td>Conduct interviews with key informants in the tourism sector (entrepreneurs, local authorities, and policy-makers in RDB and MINICOM.</td>
<td>March-May 2014</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

✓: Means that the process was followed.
Source: Compilation by author, 2013.
According to Cooper and Schindler (2006: 363), there are three types of assessing questions, namely administrative questions, classification questions, and targets questions. The administrative questions identify the participant, interviewer, interviewer location, and conditions. The classification questions are related to the sociodemographic variables that could facilitate the unraveling of patterns that can be studied. The target questions mirror and address the question specific to the study. The target questions can be either structured or unstructured. The design of the questionnaire has adopted the above-described structure. The design of the questionnaire involves three critical decision areas as proposed in Cooper and Schindler (2006: 385), which are the question content, question formulation, and the question strategy. The emphasis was to ensure that the research instrument would be user friendly and effectively serve the research objectives. With regard to the question content, the research aimed to ensure that the questions asked were relevant and valid. This was tested in the pilot study. The scope of the questions’ coverage is examined as is the participant’s ability to provide a response. A five-point Likert scale was adopted in the questionnaire design as a means of measuring attitudes or perceptions of the respondents (Cooper et al., 2001). These questions were designed to obtain insight into attitudes and perceptions in terms of degree of agreement or disagreement with an idea as expressed in a statement. The scale took the rating from “strongly agree” to “strongly disagree.”

4.8.2 Structure of the questionnaire to entrepreneurs and managers

The questionnaire (see appendix A1) used was designed based on the relationships developed from the literature review as is detailed in chapters two and three. Its development was related to the research objectives and research questions, in an attempt to ensure that the questionnaire design will direct the study in the most efficient and effective manner. The questionnaire consisted of mainly closed-ended, multiple-choice questions with open opinions and with one open-ended question to allow more feedback from the respondents, and is comprised of the following categories of information:

**Part I** is made up of multiple-choice and closed-ended questions with seven sub-sections. Closed-ended questions and multiple-choice questions were used as a technique for the factors identified in the literature review and the fieldwork for the respondent to choose an answer from a list provided. This technique allowed the respondents to express the intensity of their opinion at a point on a Likert scale. A high score on the scale denoted a favorable attitude, that is, “strongly agree,” whereas a low score denoted an unfavorable attitude, that is, “strongly disagree.”
4 Research methodology

- Section A solicits the information as to the identity of the respondent, with variables such as gender, nationality, age, level of education, position held, and general conditions and characteristics of the entrepreneur/enterprise in relation to the information.
- Section B addresses the aspects of the current state and role of entrepreneurs and entrepreneurial opportunities in tourism in Rwanda.
- Section C is related to entrepreneurs’ contextual factors, start-ups of business, and development of business in the tourism sector.
- Section D focuses on development management areas and tourism opportunities available in the chosen development management areas under study.
- Section E is related to the role of the government in stimulating tourism business and economic development.
- Section F solicits insights from respondents to ascertain the influence of tourism performance on economic growth.
- Section G is related to competencies and skills that drive entrepreneurship in tourism development.

Part II is composed of one open-ended question, which was used to gain insight into the respondents’ opinions and perceptions in relation to factors that influenced tourism development. Kinnear and Taylor (1996) claim that open-ended questions can serve as an excellent first question on a topic. These questions allow general attitudes to be expressed, which aid in interpreting the more structured questions. In addition, they help establish a rapport and gain the respondent’s cooperation in answering more specific questions (Kinnear & Taylor, 1996).

4.9 Observation and field notes

Observation has been characterized as “the fundamental base of all research methods” in the social sciences and behavioral sciences (Adler & Adler, 1994: 389). According to Patton (1987: 12), there are limitations as to how much can be learned from what people say, and, to understand fully the complexities of many program situations, direct participation in and observation of the program may be the best method. In this research, I have assembled my research data, transcribed interviews, recordings, and broadly covered entrepreneurs in their areas of operations, along with the field data concerning tourism entrepreneurship development in the development management areas of study and the factors in those areas that contribute to economic growth, the constraints to tourism development, and entrepreneurial opportunities existing
in tourism in their respective areas of operations. To this end, I used questionnaires, interviews, and other research techniques to collect data related to the topic under study. The purpose of this stage of the research was to help the researcher to gain more insight from the interviewee about tourism entrepreneurship development in the development management areas of study, and about those factors in these areas contributing to economic growth or underpinning its successful development. In particular, the use of naturalistic observation, an approach that does not interfere with the people or activities under observation (Angrosino & Mays de Pérez, 2000), enabled tourism entrepreneurship to be viewed and analyzed within the context of its development. This helped me gain an understanding of the local internal factors that have proved critical to its successful development. Without the use of observation, these issues might be overlooked by research respondents, be considered unimportant, or might be something that the respondents themselves were unaware of. The observation sought to understand tourism entrepreneurship development within the context of places. In order to achieve this and to understand the factors underpinning or facilitating the tourism entrepreneurship development, it was necessary to experience and understand it from within the tourism areas, in the context of its environment and within its practitioners. This is in line with Travers (2001), who maintains that a researcher can learn a great deal simply by spending even just a morning in the social setting in which the research is taking place. He argues that even without taking notes, the researcher should be able to come away with a reasonable understanding of the role played by different occupational groups.

Patton (2002: 262) argues that direct, personal contact, along with the observation of a setting, has several advantages. First, through direct observations the researcher is better able to understand and capture the context within which people interact. According to Patton (2002), understanding context is critical to a holistic perspective. Second, firsthand experience with a setting and the people in the setting allows the researcher to be open, discovery-oriented, and inductive, because, by being on site, the researcher has less need to rely on prior conceptualizations of the setting. A third strength of observation fieldwork is that the researcher has the opportunity to see things that may routinely escape the awareness of the people in the setting (Patton, 2002:262). All social systems involve routines; participants in those routines may take them so much for granted that they cease to be aware of important features and nuances that are apparent only to an observer who is not fully immersed in these routines (Patton, 2000:263). Observation, therefore, allows the researcher to discover things, which others may not be aware of. A fourth advantage of observation as put forward by Patton is the chance to learn from things that people are unwilling to talk about in an interview.
In this context, particularly in Rwanda, the researcher could not rely solely on interviews, but rather, through observation, the researcher made use of his personal knowledge and observation as an integral part of the research process. A fifth is the opportunity to move beyond the selective perceptions of others; this allows the researcher to arrive at a more comprehensive view of the setting than if forced to rely entirely on interviews (Patton, 2000: 263).

Finally, Patton explains that getting closer to the respondents in a setting through firsthand experience permits the researcher to draw on personal knowledge during the formal interpretation stage of analysis. During this research, time was spent in each of the areas under study, and the observations were made to inform the research, and play an integral part in the development and interpretation of the findings.

4.10 Interview

An interview involves eye contact and/or face-to-face between the interviewer and the interviewee (Patton, 2001). I designed a guide to interview some key policy-makers with mainly practical experience and who occupy key positions in the Rwanda Development Board, in the Ministry of Trade and Industry, and local authorities and key entrepreneurs in the professional associations who did not find enough time to fill in questionnaires. The aim was to arrive at a greater understanding through their opinions and impressions of the current status of tourism in Rwanda and of the economic development model of Rwanda, of its challenges and future perspectives. The interview sought also to get both factual and meaningful information on whether the tourism performance has contributed to the economic growth of Rwanda, along with what the role of entrepreneurs and policy-makers was in attaining that performance, and what the major constraints and trends for the future of tourism in Rwanda were. As has been stated above, interviewing the participants may reveal unexpected and vital information that would otherwise be impossible to capture in a questionnaire. The interview was a golden opportunity to further investigate the responses (McNamara, 1999). This was also intended to learn more from the personal perspective of the individuals responsible for advancing the tourism industry, and to find out whether an entrepreneurial community has emerged and is willing to drive to the next step in the tourism sector. The interview was conducted during the period from March to May 2014, after gathering the results of the questionnaire. Emphasis was placed on interviewing ten key informant people who were representative of the tourism industry (e.g., government policy-makers,
heads of professional associations, the tourism authority, and entrepreneurs operating in the tourism industry [see appendix 5: Profile of Interviewees]).

This part of the research process focused on small samples, with the intention of gaining insight and understanding of central themes of the research. The guiding principle is that “less is more,” that it is more important to work longer, and with greater care, with a few people than more specifically with many of them (McCracken, 1988). The interviews were semi-structured and, in some instances, informal and unstructured, enabling the respondents to speak freely; this allowed the researcher to gain an understanding of their perceptions, opinions, and impressions regarding the research issues. Most of the interviews were conducted in the workplace of the interviewee. On average, the interviews lasted for one hour. The interviews were tape-recorded and conducted in the English language. These interviews were designed as “guided conversations” (Johns & Lee-Ross, 1998), whereby I could steer the respondents towards specific topic areas, in whatever order seemed appropriate at the time during the conversation. In such a responsive situation, a particular reply could be re-examined, in the context of the interviewee’s other replies. In this way, the in-depth interviews provided a high level of contextual understanding and helped to inform an impression with regard to the case areas of study of Kigali Hub, Volcanoes DMA, and Gisenyi DMA. This stage of the research was important, since it helped further the process of identifying themes that began with the literature review and supported the selection of areas to be studied. The literature review provided the basis for the development of in-depth interviews, since it was an opportunity for the interviewer to probe or ask follow-up questions. Interviews were transcribed and analyzed using qualitative content analysis, which is based on structuring the analysis themes in order to identify core consistencies and meanings. Field observations made throughout the duration of the research were noted in a field notebook. They also assisted me in understanding the context of the tourism sector in Rwanda in different areas of the study.

4.11 Document review

The document review has focused on examining the existing literature in relation to entrepreneurialism in tourism, and on the influence of government policies on tourism entrepreneurship development and economic growth. Different textbooks, journals, reports, policy documents, websites, and newspapers, related to the above theme under study, were consulted and analyzed. The analysis of the data was based on primary data obtained from
questionnaires and interviews of the respondents, which involved obtaining a deeper understanding of the text through grouping the data into themes and then creating interrelating themes between the categories (Creswell, 2009). The secondary data from books and journals, as well as official reports published by institutions such as National Institute of Statistics, Rwanda Development Board, Global Entrepreneurship Monitor (GEM), United Nations World Tourism Organization (UNWTO), World Travel and Tourism Council, Ministry of Trade and Industry (MINICOM), Ministry of Finances and Economic Planning (MINECOFIN), the World Bank, International Monetary Fund, and World Economic Forum, etc., were used for description of the situation under study. The numerical interpretation of the data obtained from the above document review provided an orientation of the contribution of tourism to the country’s economic growth, the emerging upward/downward trends in the performance of the industry in relation to the emergence of entrepreneurial activities, and government’s initiatives in shaping the entrepreneurship spirit.

4.12 Data analysis

Diamantopoulos and Schlegelmilch (2000:24) point out that there are four levels on which analysis and interpretation can be used. In this study, I chose two levels of analysis and interpretation that are explained below.

Table 14
Use of scales

<table>
<thead>
<tr>
<th>Scale type</th>
<th>Nominal</th>
<th>Ordinal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Properties</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equivalence</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Order</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Absolute zero</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Typical usage</td>
<td>Store types</td>
<td>Occupation</td>
</tr>
<tr>
<td></td>
<td>Product</td>
<td>Social class</td>
</tr>
<tr>
<td></td>
<td>Categories</td>
<td>Brand</td>
</tr>
<tr>
<td></td>
<td>Geographic</td>
<td>Preference</td>
</tr>
<tr>
<td></td>
<td>Location</td>
<td>Attitude</td>
</tr>
</tbody>
</table>

Source: Adapted from Diamantopoulos and Schlegelmilch (2000: 24).
The system that was used to record the observation was nominal, ordinal scales as described below:

1 **Nominal scale**
The first level of analysis and interpretation is the nominal level of scale, which is used to qualify themes, and is a way of writing down an interpretation or observation. By doing so, the characteristic of a theme was assigned to a number of categories or only one category, depending on the interpretation or observation. In line with this, the nominal data are presented in the form of having a “yes” or “no” type of answer, and therefore no mathematical or statistical operation was done on it. Such data in this research is only used for identification or naming.

2 **Ordinal scale**
The second scale used in this study is the ordinal scale. Antonius (2003: 11) states that the use of this ordinal scale is done when observations are organized in categories that were ranked and ordered. The ordinal scale level categorizes themes to denote the differences among the various categories and also ranks them in meaningful ways. This entails the ranking preferences from excellent to poor, on a four-point Likert scale. At this level, the themes being observed are denoted here as qualitative data. The ordinal scale in use helps the researcher to tap into the differences among the categories and provides some information on how respondents distinguish among these items by ordering them by rank.

4.12.1 **Data preparation**
The study prepared the data constructed for the research in a way that sounded relevant for its purpose. The researcher recognized that the data came in different formats and had different properties. Mouton (2004: 108) indicates that in a qualitative research approach, there is one format of textual data. He adds that textual formats are rich in meaning, since they sometimes provide multiple meaning and are therefore difficult to capture in a short, structure manner, like in numerical data, which are usually well structured and easy to capture. They are also not as rich in meaning as textual data. Coldwell and Herbst (2004: 96) state that data preparation usually precedes data analysis. The data preparation leads to data accuracy, and facilitates analysis and interpretation. The process of data preparation is instrumental in this research, since it involves coding and editing in line with Goldwell and Herbst (2004: 96).
4.12.2 Data coding and editing

a Data coding
To facilitate the data capturing from interviews, a codebook was set up. According to Welman and colleagues (2005: 227) a code is a symbol, usually numeric, used to represent responses to research questions. Codes help in analyzing data and decisions of different code depicted from data coding. The codebook used in the study contains all information that allows the recording of all the responses received in the data file to enable interpretation. The codebook assigns a name given to each theme, a theme label, which is a description of the theme, and a value label, which is an assigned numerical value. A code list was prepared in which the various codes were assigned to the responses received.

b Data editing
A two-stage process was carried out to ensure successful data editing. Diamantopoulos and Schlegelmilch (2002: 41) indicate that editing has the objective of identifying omissions, ambiguities, and errors in the responses. At the first level, while collecting the responses, questionnaires were checked to know if they had been answered wholly and comprehensively. Any noted exception was dealt with and corrected in the field. At the second level, all returned answers were put together and checked for any notable omissions or inaccuracies, missing or invalid values. The reason for this procedure was to ensure that all the responses received contained acceptable standards for the raw data to provide the desirable representation of the source of information. The process ensured that the researcher had received complete, full, and accurate data.

In the course of this process of data analysis, I arranged the raw information obtained from the respondents in two questionnaires and a semi-structured interview, and organized it for further meaningful interpretation. This analysis of the data provided insights into various themes and issues that relate to the objectives of the study. I converted the raw data into a form suitable for analysis, interpretation, and discussion.

4.13 Data interpretation

Blaxter and colleagues (2001: 219) describe interpretation as the process by which the researcher attaches his/her own meaning to the collected and analyzed data. Sontakki (2006: 241), however, cautions that interpretation of the data can lead to totally wrong conclusions, thus rendering the findings use-
less. In order to make the information derived from the constructed data meaningful, the researcher focused on four areas that informed the formulation of the research question and objectives. The four areas of focus in the study are the state of tourism entrepreneurial opportunities in Rwanda, the factors that adversely affect and or positively drive tourism business for the generation of income and economic growth in the chosen development management areas, the role of policy-makers and entrepreneurs in stimulating tourism business in Rwanda, and the competencies and skills that drive tourism entrepreneurship to tap on tourism opportunities. A detailed data analysis and interpretation is provided in chapter five of this study, in line with the research objectives discussed in chapter one.

4.14 Ethical considerations

One of the possible unethical behaviors on the part of the researcher is the provision of an inadequate search and review of the literature, and not giving a fair and balanced assessment of other scholar’s ideas and arguments (Hart, 2005: 298).

While the researcher ensured that adequate literature was employed in the study, he always acknowledged the source of all thoughts, ideas, and works of others, even in cases where they were paraphrased in his own words. This is confirmed by Walliman (2005: 336), where he argues that the worst offence against honesty in research is plagiarism that refers to a situation where a person directly copies someone else’s work into a thesis and deliberately fails to acknowledge the source. The information from the participants in the research was treated with utmost confidentiality and anonymity. This means that the researcher was and is responsible for the ethical treatment of the research subjects (Herbert, 1990: 105), and this is in tandem with Robinson (2010: 2) and Birnbaum (2005: 1), who state that the researcher must ensure during the conduct of research that there is no harm to the participants. This ensures the trustworthiness of the findings. With regards to the above statements on ethical considerations, I explained the research procedure to the respondents (see Appendices 2, 2.1, 2.2, and 3). The letter indicated to the participants that information collected during the survey would be treated with confidence and anonymity at all times, and was only to be used for the academic purpose of this research, as indicated in the letter to the respondents. In addition, according to Polonski (1999: 5), I committed myself to making the findings and recommendations of the study available to any participant who wished to access them. In this regard, I committed to voluntary participation and informed consent of the participants, confidentiality and
anonymity, as well as communication of the results. The fieldworkers were importuned to obtain the consent of the respondents to administering the questionnaire (Hart, 2005: 299). The cover letter also contained the contact details of the researcher, in case the participants had any queries about the study. I also instructed the research assistants to administer the questionnaire to male and female, youth and adults, provided that they owned a tourism business or worked in the tourism sector in a public or private company.

This chapter on the methodology used has presented and described the research approach used in this study, and provided information on the knowledge and skills that were deemed appropriate to answer the research questions. The next chapter presents and discusses the summary of the findings from the research questionnaire and interviews in relation to the research objectives.
Analysis and Discussions of the Results from Interviews and Questionnaires

5.1 Introduction

This chapter presents, analyzes, and discusses patterns obtained from the results of interviews and questionnaires for their relevance to the research questions outlined in chapter one. This results presentation focuses mainly on the views of the respondents and interviewees, composed of entrepreneurs (owners of tourism businesses, and managers of travel and tour companies, hotels, and airlines), and policy-makers and local authorities working in public institutions dealing, on a daily basis, with tourism development in Kigali Hub tourism, Volcanoes DMA in Musanze District, and Gisenyi DMA in Rubavu District. The focus of the study is on various aspects of entrepreneurialism in tourism in Rwanda, and they are exploited by entrepreneurs as a strategy for economic growth. From the perspective of this study, I aimed at finding answers to the research questions presented in chapter one as follows:

- What is the current state of tourism entrepreneurial opportunities in Rwanda, and to what extent are those opportunities exploited by entrepreneurs as a strategy for economic growth?
- What are the factors affecting tourism entrepreneurship development in Rwanda, and what is the extent of the influence of policy-makers in stimulating tourism entrepreneurship and subsequent economic growth?
- What are the entrepreneurial skills and competencies that Rwandan tourism entrepreneurs need to drive and uplift income generation and subsequent economic growth?
- What are the important policy measures and practical considerations entrepreneurs and policy-makers could put in place to increase the number and quality of entrepreneurs in order to contribute to the advancement of tourism development and economic growth?
This chapter presents the data on the industry demographics of the respondents, and also reports on the findings from the questionnaire administered to entrepreneurs and policy-makers, which paved the way for the design of a semi-structured interview conducted with key informant entrepreneurs, managers working in tourism business establishments, and policy-makers considered as experts in the tourism sector in Rwanda, from the three development management areas (DMAs) under study. The results are presented in line with the objectives of the study, as presented in chapter one. Items in the questionnaire and semi-structured interviews were grouped into ten main themes to respond to the four research questions of the study. The chapter concludes by integrating and discussing the results of the research through the analysis of the views of the respondents and interviewees on the ten main themes. The outcomes of the survey are primarily used to inform a qualitative analysis as presented below in chapter 5.

5.2 Industry demographics of the participants in this research

In this section, the industry demographics of the participants are presented in this research and comprise tourism entrepreneurs (owners, CEO, managers of tourism businesses) and policy-makers (directors and employees in public tourism-related offices, as well as district vice-mayors of Musanze and Rubavu in charge of economic affairs, and districts council presidents who deal on a daily basis with issues related to tourism management).

The respondents in this research, who returned the filled-in questionnaires, comprised 66 out of 71 entrepreneurs and 9 policy-makers, representing 93% of the sample selected of 80 participants, while the respondents of the semi-structured interview comprised 9 informants out of 10, all purposively selected for the interview because of their role, high position, and daily involvement in the tourism sector, who could have an influential impact on tourism entrepreneurship development and subsequent economic growth of the country as a whole.

The majority of the participants in this research were between the ages of twenty and forty-nine (86%). Most of them had a university education (66%), but only a minority held a tourism and hospitality university-level degree (9%). The wide diversity of university backgrounds is evident. This shows that respondents were educated, and therefore could understand issues related to entrepreneurialism in tourism and economic growth of Rwanda. In terms of the hierarchical position of the respondents, there was almost equitable distribution between owners, CEOs, and policy-makers, where 51% represented the managers in the private sector, comprised of hotels, tour and
travel agencies, airlines, and nightclubs, while the remaining group was made up of individual members of professional associations in the tourism sector. The number of companies and organizations that participated in this research was 35. Policy-makers, represented by MINICOM, RDB, and two districts, received 9 questionnaires; three large hotels with 4-star and 5-star, received 3 questionnaires each; 11 tours companies received 1 questionnaire each; and 2 airline managers received 1 questionnaire each; while the remaining 20 companies received two questionnaires each. The responses received showed that a majority of the participants were found in the categories of companies comprising employees, numbering between 4-30 (52%) and 31-100 (37%), which explains that companies in the tourism industry are classified respectively into Small and Medium Enterprises, according to the SMEs policy classification in Rwanda (SME Development Policy, 2010:7). In addition, the key respondents’ overall positions in the tourism industry signified the high profile participation in the research.

5.3 Results analysis

As was argued, the grounding of theory in data analysis is a significant factor toward achieving the more general aim of supporting claims with credible evidence. This also represents a particular link between data and theoretical statements. As such data analysis was done in line with the research questions through both the questionnaires and interviews to key informants, content analysis and discussion of emerging main themes are highlighted and conclusions are drawn in this chapter.

Although each interviewed person was termed as respondent unit, cross-respondent analysis of views allowed for comparison and contrast of views among interviewees (Patton, 1990).

The results presented in this section represent the most common views of the tourism stakeholders who participated in this research, and their views are contextualized with reference to the research questions outlined in chapter one, and subsequent chapters two and three. For ease of analysis of field data, cross-case analysis was utilized in this research to facilitate comparison between views from respondent units in order to explore properties of each category (Douglas, 2003). Framework analysis (Ritchie & Spencer, 1994) was adopted as the main analytical method to filter and classify the textual data (transcripts of interviews), while addressing the research questions presented in chapter one. The coded transcripts and its side margin were used to note and come up with ten major themes that emerged after rigorous analysis of the transcripts and that were found in common for each interviewee.
This integration of categories and their properties, with respect to different constructs, were grouped together, and the “10 top themes” that emerged from the interviews enabled comparison and analysis, and discussion and interpretation of the phenomena (Patton, 1990; Seale, 1999). The five major categories/types of respondents were coded from IT1 to IT5 (see table below) based on the type of business, role, and position, as well as the involvement of each interviewee in the tourism sector in Rwanda, and the code numbers were used in the description and interpretation of the qualitative data analysis. For interview identification in the analysis process, interviewees are referred to by the labels C1 to C9, where C stands for case. These two code numbers were used to facilitate cross-interviewee and cross-category analysis. The profile of interviewees and their related position in the tourism sector in Rwanda are given in appendix 5.

Table 15
Types of respondents, code number, and characteristics

<table>
<thead>
<tr>
<th>Respondent type/category</th>
<th>Code number</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner/Manager</td>
<td>IT1</td>
<td>Owner/Manager of a hotel listed by RHA and member of the Chamber of Tourism</td>
</tr>
<tr>
<td>CEO/Senior Manager of a hotel</td>
<td>IT2</td>
<td>CEO or Senior Manager involved in the daily management of the hotels listed in RHA and member of the Chamber of Tourism</td>
</tr>
<tr>
<td>Owner/Manager of a tour and travel company</td>
<td>IT3</td>
<td>Owner/Manager of a tour and travel company listed by RTTA and member of the Chamber of Tourism</td>
</tr>
<tr>
<td>Director/Senior Manager in public institutions</td>
<td>IT4</td>
<td>Director or head of department in public institution dealing with entrepreneurship and tourism development businesses</td>
</tr>
<tr>
<td>Vice-mayor or district city council authority</td>
<td>IT5</td>
<td>Vice-mayors or district city council authority</td>
</tr>
</tbody>
</table>

Source: Developed for this research and adopted from Mathews (2000).

The next lines analyze, interpret, and discuss the ten main themes, as emerged from the interviews with key informants in the tourism sector in Rwanda.
Current status of entrepreneurialism in tourism and Rwanda’s economic development strategy

The first theme that emerged from the interviews was related to “Rwanda’s current status of entrepreneurialism in tourism and its strategy for boosting its economy.” Concerning this statement, a majority of the respondents (64%) view the current status of entrepreneurialism in tourism in Rwanda as “very good,” and they add that, for a decade, Rwanda as a tourism destination continues to see tourist numbers and revenues grow, as well as general optimism about the diverse products Rwanda can offer. However, as expressed by voices from a slight minority of the respondents (29%), there is more to be done for the tourism industry to remain the engine of economic growth, such as improvement of the skills and competence of entrepreneurs in the sector, improvement of policies and regulations to harness the tourism business, incentives in terms of access to financing, and investment in infrastructure development mainly at remote destinations.

To the question related to the strategy and economic model used by Rwanda for growing its economy and accelerating its development, a majority of the tourism entrepreneurs interviewed (66%) observed that Rwanda attempted to bypass the traditional development model through direct networks with influential business leaders, who care less about national political conditions as is the case for international development agencies.

As to the question about the role played by tourism entrepreneurs and policy-makers, a large majority of the respondents (70%) estimate that it has been good and is continuing to rise. They add that Rwanda has put in place institutions supporting the sector, developed strategic objectives, policies, and incentives aimed at tourism promotion and the attraction of big investors in the sector, especially in Kigali, and this strategy has improved general infrastructure, revenue levels, and tourist arrivals. However, a minority among the respondents (19%) claimed that there has been little policy facilitation and lack of incentives from government, especially for start-ups and nascent small local business. One of the entrepreneurs interviewed stated:

Lack of practical understanding of entrepreneurship and how it works for workers in the public sector who are supposed to initiate such policies at RDB, MINICOM and at decentralized local authorities is limiting required development (IT3:312).

This statement is a sign of the voices of a minority of entrepreneurs in the tourism sector, who feel that more could be done to improve the right environment and circumstances to motivate and stimulate individuals to become entrepreneurs. This may include enabling policies not only to help existing
entrepreneurs but also nascent and new start-ups to acquire the appropriate skills and learning, and to surround them with opportunity, such as access to start-up resources and support. As stressed by Stevenson (1996) the combination of “motivation, skills and opportunity” could contribute to the creation of a more entrepreneurial and dynamic tourism sector. This could have a positive impact, as a majority of entrepreneurs interviewed (64%) agreed that Rwanda is endowed with many tourism entrepreneurial opportunities, but still lacks specific entrepreneurial skills and support for start-ups and investments, such as high-standard accommodation establishments in the main cities; medium-sized accommodations in the remote destinations; high-class tourism and hospitality-training institutions; boats and watersports facilities; zoological and botanical gardens; theme parks and recreational areas; and infrastructure development at destinations, particularly road infrastructure linking main city centers with main parks, as well as innovation in adventure tourism infrastructure.

On the question of whether there is an emergence of entrepreneurs taking advantage of existing opportunities in the tourism sector, a majority of the interviewees (67%) agreed that new tour companies have been created, the number of accommodation has increased, especially in Kigali Hub, followed by Musanze and Rubavu. They estimate that the role of government has been inspirational and decidedly required, especially in targeting incentives that can attract big investment to key areas of shortcomings, such as quality infrastructure, required mainly in Kigali. However, they expressed the fact that cultural and recreational facilities, and innovation in adventure tourism, such as mountaineering, are still missing, mostly in the remote DMAs.

When asked about the motivations that drive entrepreneurs to start businesses in the tourism sector, high in ranking from the respondents’ point of view were market opportunities in tourism and increase in personal income, followed by entrepreneurial experience and attractive macroeconomic conditions in the tourism sector. This probably portrays, as indicated by Hoolmeljer and colleagues (2012), the need for Rwandans to improve their welfare in the aftermath of the 1994 Genocide that impoverished many families. Despite the above positive image of the current state of tourism in Rwanda and a relatively positive contribution of entrepreneurs to the growth of the tourism sector, a slight minority of the respondents (29%) estimates that Rwanda still faces challenges to generate increased revenues in the sector. As to the question of why they think this is the case, they said that, on the demand side, there is scope for improving leisure markets by extending the length of stay of visitors through product diversification and further marketing efforts on the part of Rwanda’s tourism offer. This could increase the revenues generated from the tourism sector. On the offering side, the majority of the respond-
ents estimate that improvements are still required with respect to the quantity and quality of Rwanda’s tourism products, and with respect to linkages and networks within the sector and with other sectors, and with respect to quality service-delivery. In addition, they think that addressing those current shortcomings requires dealing with challenges related to the upgrading of the skills of people dealing with tourism development at RDB, entrepreneurship, and SME development, along with investment and access to financing for ease of investment in the sector. In many instances, the respondents revealed also that developing regional synergies and collaboration at a regional level could contribute to addressing the challenges mentioned above. A majority of the key informants interviewed (62%) mentioned the potential and current underutilization by Rwanda of the regional integration framework. They suggest that overcoming this challenge might require a more systematic approach to identifying comparative advantages at the regional level in services provision, and enhancing the current regional policy framework and integration.

**Quality and attractiveness of investment in the development management areas**

As to the question of whether there is quality and attractiveness of investments in the development management areas under study, a large majority of the respondents (76%) expressed that there has been an increase in terms of number of accommodations, and tour and travel agencies for the last five years, which has contributed to increased revenue generation and job creation. One official from among the policy-makers interviewed confirmed that the number of rooms in these areas increased by more than 20% in 2013, compared to the rooms available in 2012. On the point of quality and attractiveness of investments in the development management areas, a large majority of the interviewees (72%) confirmed that besides the gorillas and friendly people, Rwanda possesses a lot of natural tourism attractions, including wilderness trails, forests, beautiful lakes, mountains, and a variety of cultural and historic resources. However, they estimate that Rwanda could improve and better use its natural touristic resource base, and translate it into a viable tourism destination. The entrepreneurs and policy-makers interviewed are generally in agreement that there are a number of factors that still hinder the realization of Rwanda’s tourism potential, including product gaps in many instances, lack of high standards and medium-sized facilities and quality services at destinations, insufficient marketing activities, skill deficiencies, and inadequate management of the sector. They added that even though the government has embarked recently on an ambitious program of
fiscal and legal reforms to address some of the deficiencies mentioned above, Rwanda’s DMAs remain un-competitive. One of the interviewees stated:

Rwanda as a tourism destination lies within a very competitive region of the East African Community; it is wise for both private and public agencies to widely adapt and make a concerted effort at operational and policy levels to cater for customer demand as the latter have different profiles and expectations that need to be served adequately (IT8: 329).

The government’s policy and regulatory initiatives to stimulate tourism business
The government’s policy and regulatory initiatives is a point that was captured by a large majority of the respondents (71%) as “strongly agree.” They said that Rwanda has initiated many initiatives and policies aiming at further developing tourism businesses, such as the development of the 2009 Sustainable Tourism Development Master Plan; 2010 Tourism Policy; 2014 Tourism Bill; Organic Law on Environmental Protection and Management of 2005; Law No. 03/2009 of March 27, 2009, which seeks to strengthen TVET institutions; and the Law on Crafts (2010), which seeks to organize (and formalize) the sector through cooperatives to promote specialization in specific crafts and certification by RDB, among others. They mentioned that those regulations and strategic initiatives are related to increasing revenues and profits from tourism activities through product development and diversification, tourism promotion and marketing, increased partnerships and cooperation, capacity building and skills development, and improved access to financing and investment incentives. One of the interviewees stated:

With the above policies, we were able to diversify our tourism offer by associating tours with the cultural heritage and history of the country, the sightseeing of other animals, religion and events-based tourism, which is crucial for us to persuade tourists to extend their length of stay (IT5: 319).

With regard to tourism promotion and marketing, a majority of respondents (62%) said that, for the last decade, there has been joint marketing between the public sector and entrepreneurs in tourism, whereby they participate in international trade fairs to showcase the diverse beauty and attractions of Rwanda. However, it is worth noting that a sizeable minority of entrepreneurs (38%) expressed the need for a strong collaboration between the public and private sectors. They suggest that this could increase the number of entrepreneurs and diversify the types of participants in international fairs in order to further improve the raising of awareness about current and new
tourism offerings for visitors, and to engage in linkages with local tour operators, car rental companies, hotels and restaurants, and conference organizers, as key actors for the dissemination of information who interact directly with tourists.

One of the interviewees noted also that the Sustainable Tourism Master plan identifies capacity building needs with regard to product development strategies; market research; marketing and promotion techniques; as well as general hospitality understanding; statistical compilation and analysis in order to respond to specific needs and behaviors of customers, and help policy-makers to orient entrepreneurs so as to take appropriate action and measures with regards tourism development. With regard to statistics, a slight minority of interviewees (54%) estimate that a lot needs to be done especially in terms of data collection for statistics, which could help in awareness-raising campaigns about current and new tourism offerings for visitors who come to the country or to the region. Such activities may entail further developing of linkages with local tour operators, car rental companies, hotels and restaurants, conference organizers, as key actors for the dissemination of information and interacting directly with tourists. They added that shortcomings exist also in the area of coordination of tourism activities, whereby a lack of a coordinated approach to export promotion hinders the capacity of the country to maximize opportunities stemming from its participation in trade agreements. They mentioned that maximizing on the use of the regional framework might raise awareness and increase knowledge spillovers to service providers and tourism entrepreneurs as to the best usage of existing opportunities to generate economies of scale arising from regional integration, such as joint development of tourism facilities and key infrastructure through regional joint ventures.

Another point in this area of policy initiatives that was raised by the respondents as a constraint in tourism business development is human capital development, which is said to have been prioritized by the Government of Rwanda (GoR), in a cross-cutting manner, through the development of the competitiveness of the overall service economy, in particularly in the tourism sector, where the role of employees is significantly ascribed to interaction with customers. For a majority of the respondents, this area is considered crucial to increasing profitability by attracting higher-end tourists and capturing higher margins, while pursuing a diversification strategy. They noted that the importance of this issue was also highlighted by a survey conducted in 2009 by the OFT Group of representatives of the tourism industry and visitors, whereby customers perceived the service they received as of low quality and excessively overcharged for, and so seen as poor value for their money. They mentioned that the survey led to increased awareness, at the govern-
mental level, that this was a hindering factor affecting tourism promotion and the need to upgrade skills in the sector. One of the entrepreneurs interviewed stated:

This issue is particularly important to us in the context of strategies aimed at developing leisure tourism and high-end segments, where tourist expectations are considered higher and correlated to international standards (IT6: 322).

However, as noted by a sizeable minority of the respondents (38%), special needs of tourism entrepreneurs go beyond developing schooling and training programs. They estimate that it entails also matching the needs of SMEs so as to integrate successfully into the tourism sector value chain, increasing wages and better employability prospects for trained professionals in the sector, changing the perception of continuous learning in the workplace, and setting standards for the recognition of training and education diplomas linked to international standards. They estimate that, until now, although initiatives have been put in place with respect to training needs, the latter dimensions remain unaddressed at the policy and strategic level, coupled with limited resources allocated to skills development. A majority of entrepreneurs interviewed (62%) believe that training of individual SMEs entrepreneurs together with larger firms, particularly hotels, in accordance with Rwanda’s practice and strategy (SME Policy, 2010: 10) of attracting big hotel groups, may be a long-lasting solution to the issue of capacity building and skills development through increased experience and knowledge-sharing. They said that SMEs face several challenges in order to participate effectively in the tourism sector, mainly due to their size, which lacks economies of scale, for instance, regarding their capacity to procure land, lack of skilled human resources, and of access to financial capital. This leads to increased costs and prices. To emphasize this, one of the entrepreneurs interviewed stated:

SMEs compete with bigger and more capitalized enterprises of the international travel industry (tour operators, airline companies, hotel and catering chains, and car rental companies), which are more productive at delivering travel services to destination markets (IT1: 306).

Another cornerstone that was raised by a slight majority of the respondents (57%) as a policy initiative to be improved by the Government of Rwanda was related to access to financial and investment incentives, considered as too costly to enable the development of the tourism sector. One of the entrepreneurs interviewed stated:
With interest rates ranging between 14% and 18%, and loan amortization being short, between 3 and 7 years, right after the loan is acquired, this situation is unaffordable. In this sense, most banks and other financial institutions require security and for an industry that is mainly service driven, this may not always be available. Also the fact this is a season-driven industry, has made it difficult for us to access financing (IT1: 306).

In spite of the general agreement that Rwanda has done a lot in terms of policies, a slight minority (39%) has raised a concern about lack of legislation to facilitate the industry and tourism professions, which, according to them, could compromise future growth and high-quality standards in the sector. They raised a need to develop a licensing system for service providers and to develop regulations for accreditation, certification of recognition of equivalence of academic and vocational qualifications in the tourism industry.

**The contribution of tourism performance to economic growth in Rwanda**

As to the question whether the tourism performance has contributed to economic growth of Rwanda, the statement has been ranked as “much” by a majority of the respondents (71%). They added that tourism currently constitutes Rwanda’s largest source of export earnings, and is a key driver for future growth in terms of job creation and economic diversification for Rwanda. It was mentioned that the Rwandan government has prioritized the tourism sector, and has put in place several strategies, policy measures, and incentives that have led to steady growth by the sector over the years. All policy-makers, district authorities, and entrepreneurs interviewed indicated that the contribution of the tourism sector has been important to the national economy, stating that exports of travel and tourism, and GDP have increased over the years; significant amounts of investment, especially in hotels and airlines, have been attracted. They added that the prioritization of tourism an engine for growth has led to increased revenue and employment generation over the years. However, as noted by one member of the hospitality association:

Rwanda’s success in boosting tourist arrivals has not led to proportional increase in its total receipts expected from foreign travelers and this could be attributed to limited length of stay of tourists mainly driven by a lack of entertainment alternatives and product diversification. (IT6: 323).

This interviewee raises an issue of over reliance and the impossibility of further increased revenue generated through gorilla tourism, because it has reached its peak due to environmental conservation concerns. According to a minority of respondents (29%), the most frequent length of stay for interna-
tional visitors in Rwanda is four days, and there is a relatively lower share of tourists visiting Rwanda for leisure; yet there is a potential for leisure tourism to generate more revenue if there are investment incentives to develop entertainment activities and culture, not only in Kigali but also in main destination management areas. They estimate that this could boost the length of stay and increase tourists’ expenditures.

According to a large majority of the respondents among the entrepreneurs (72%), the issue of diversity in Rwanda’s tourism offering is crucial for persuading tourists to extend their length of stay. They mentioned that there is a prevailing perception that the limited length of stay of tourists and the relative lower share of leisure tourism might be due to the fact that Rwanda is perceived as being more expensive than its neighbors, while having less diversity in tourism offerings compared to neighboring countries. One of the entrepreneurs interviewed states:

In order to increase revenues derived from tourism, Rwanda will have to succeed in extending the length of stay of visitors and address current shortcomings related to developing entertainment alternatives in main DMAs and improve quantity and quality of tourism facilities. (IT1: 307).

**Investment projects in the tourism sector**

As to the question about investment projects attracted by the tourism sector in the past five years, a majority of the entrepreneurs and policy-makers interviewed (79%) stated that attraction and incentives have been accorded to projects in tourism sector for the last five years, and this has been successful in attracting FDI, particularly in terms of big hotels, as a means of anchoring existing and new tourism brands through exemption of import duties on the equipment. However, a slight minority of entrepreneurs and policy-makers (21%) estimated that financing is still a challenge for local entrepreneurs to further develop the sector. They added that existing investment levels are insufficient to sustain product development and the continuous diversification efforts that Rwanda needs for the tourism sector to develop. They suggested that improving the quantity and quality of tourism facilities, and strengthening linkages with recreational, cultural, and sporting services, coupled with the development of entertainment alternatives in main cities in accordance with the defined development management areas, could be a long-lasting solution. It was the view of that minority that the government needs to target incentives that can attract investment to key areas of shortcoming, such as human capital, cultural, recreational, and natural resources, and innovation in adventure tourism such as mountaineering. They suggested also that extending the Rwanda Exporter Development Program (REDP) to SMEs linked
to tourism sector value chains, aside from hotels and restaurants, would improve access to financing of the tourism sector in that it would provide SME exporters (or intended exporters) with strategic support, export training and education, technical assistance with respect to standards, mentoring, market development, and performance evaluation. They suggested that designing a framework to assess the effectiveness of investment incentive regimes and undertaking an evaluation of the current fiscal incentives vis-à-vis the objectives set for the tourism sector, as well as developing a tourism and hospitality guarantee fund, and a tourism and hospitality training levy, could contribute greatly to overcoming the access to financing problem and the shortage of skills for the sector. They added that the decision would be meaningful, based on the similar experience in the agriculture sector, which has been shown to have had a major impact on agriculture performance in recent years, and on the fact that the tourism sector remains at the top of all other sectors of the national economy. In a bid to promote investment and access to financing, a slight minority of entrepreneurs interviewed (21%) suggested that regional synergies could also be looked into and promoted in a bid to facilitate regional joint ventures in the area of tourism facilities and key infrastructure. They were of the view that joint “tourism development zones” could prove useful, especially in areas where tourism attractions are located near the border.

**Skills and competencies needed to drive tourism growth in Rwanda**

Skills development and competencies needed to drive tourism growth in Rwanda retained the attention of most entrepreneurs and policy-makers interviewed. A majority of the respondents (62%) said that lack of appropriate skills and competencies among key players is a major issue when the tourism sector finds itself up against regional and global competition. One of the entrepreneurs interviewed on the subject illustrated the above challenge by the following statement:

> We are still in a relatively early stage of skills development as efforts to develop relevant skill-sets for the tourism sector have been sluggish, and due to the complexity and sophistication of the general tourism sector, some important sub-sectors need to be packaged in a holistic manner in order to accommodate diverse tourism experiences, current and future trends in the consumer behavior of the new tourist profile. The skills and competencies required have not captured our needs, trends and changes taking place in the tourism sector; we have been very slow in tackling this issue in Rwanda and the problem is acute in remote DMAs compared to Kigali where some tourism schools are coming over (IT8: 331).
A majority of the respondents pinpointed that, though infrastructure and access have improved especially in Kigali Hub, and Musanze and Gisenyi Gisenyi DMAs, the quality of services is still inadequate or nonexistent by international standards. When asked about the skills and competencies that are needed today, and in five years to come, a majority of entrepreneurs and policy-makers interviewed (62%) mentioned that trends in tourism that are likely to govern the sector in Rwanda today, and in the coming five years, are highly linked to skills in communication, understanding of tourism products, and interpretation, tour guiding, quality in customer service, and, most importantly for many of the tour operators, the readiness to work in a service industry. They added that as the tourism product evolves, the skills needed to support this change are still lacking on the ground, mainly in remote DMAs, in that few of the available jobs can find the skills necessary in Kigali Hub. Another reason advanced is that the current educational system in Rwanda has been slow in incorporating into their curriculum courses related to tourism, or enhancing learning and research geared towards preparing students to meet the needs and standards expected from Rwanda’s tourism as a growing economic sector.

One policy-maker interviewed emphasized the above statement by adding that:

Currently at the only public University of Rwanda, tourism courses are not offered in any faculty, and yet, tourism is an important sector of the economy. Considering the role of tourism in terms of revenue generation and employment creation, it is important to teach tourism and hospitality related courses, instead of leaving the burden to private universities with limited means to invest in a sustainable manner in skills development (IT9: 335).

When asked about what could be done to address the deficit in skills and competencies supporting the tourism industry in Rwanda, one of the policy-makers interviewed estimated that:

It requires focusing on courses suiting the needs of job market, in order to produce highly skilled and multi-tasks work force. Soft skills are at the heart of training (communication, leadership and teamwork) offered in the curriculum and training and apprenticeships need to be offered in institutions valuing hands-on experiences with high levels of professionalism, appropriate and updated training facilities and lecturers. (IT9: 335).

When asked about the role of the private sector in training, a majority of the respondents (67%) mentioned that their role was to make sure that
the hands-on experience being sought was generated from training and apprenticeships. However, a minority (33%) refuted the argument, stating that such commitment from the private sector requires guided investment in terms of training of trainers, offering opportunities for experience, as well as offering the right environment for employees to develop their skills. They estimate that technical and financial capabilities are lacking in most privately owned hospitality establishments, since hiring skilled people and paying them for their input remains crucial to the success of addressing the issue of skills and competencies in the tourism sector. Poorly trained, or untrained and unemployed people are those attracted to the sector, owing to the low wages prevailing and the high prevailing unemployment rate. One of the interviewed entrepreneurs further stated:

In the past, we would hire family members due to unemployment or whoever we could find; now we are hiring new trained people on specific jobs like chefs. It is hard to recruit good and talented people in Rwanda, even those from school lack experience, full of theory which cannot be of any good to us. We are constantly looking for skilled people and once you get one, either expensive or is offered a better salary next door (IT1: 307).

Factors positively and adversely affecting the tourism sector in Rwanda
As to the question about the factors positively affecting the growth of the tourism sector in Rwanda, a majority of the respondents (56%) mentioned the following main contributing factors:

- Safety and Security: The prime attraction of Rwanda today, as affirmed by not only respondents but also all key the policy-makers and entrepreneurs interviewed, is its current positive growing image in the region for safety and security associated with the country due to environmental standards.

- Focus and continuous improvement of macroeconomic conditions, and policies and strategies on environmental standards: According to a large majority of the respondents (79%), over the last decade and a half, Rwanda has implemented significant economic reforms, including privatization, investment facilitation, and trade liberalization, which have helped achieve strong economic growth. Rwanda has shown some strength in macroeconomic management and continues to make progress with structural reforms, which have raised Rwanda to a position among the top three reforming economies in Africa in the World Bank’s “Ease of Doing Business Survey” (2011-2015). The tourism sector constitutes one of the key drivers for growth and economic diversification for Rwanda. As such, the Rwandan government has prioritized it and has put in place several
strategies, policy measures, and incentives that have led to steady growth by the sector over the years.

- **Uniqueness of the gorilla product:** According to STMP (2009: 35), the gorilla product in the Virunga National Park is considered as the main source of tourism revenue, with over 90% of tourism’s revenue. This is confirmed by all the respondents and key informant tourism stakeholders in Rwanda.

- **Small size of the country and relatively developed main road infrastructure:** Rwanda has a strong network of roads which link Kigali with all major towns and DMAs. According to STMP, 2009: 62), the road density in Rwanda is one of the highest in Africa, and its network is among the best in Central and East Africa.

On the adverse side, they estimated that low skills and inadequate working conditions, lack of incentives for local nascent and start-up businesses, and persistence of the genocide image are still hindering the development of tourism. Human capital development has been prioritized by the GoR, in a cross-cutting manner particularly in the tourism sector, where the role of employees is significantly ascribed to interaction with customers. In this sector, this area is considered crucial in order to increase profitability and competitiveness so as to attract higher-end tourists and capture higher margins, and pursue Rwanda’s diversification strategy in the sector. The importance of this issue has been emphasized by a survey conducted in 2009 by the OFT Group with representatives of the tourism industry and visitors. The survey found that customers perceived the service as of low quality, that they felt excessively overcharged, and had received poor value for their money. On this issue one of the interviewed entrepreneurs mentioned:

*Much of the tourism development in Rwanda is also affected highly by high pricing and lack of competitiveness and diversification of service and product we offer, and this issue affects seriously our tourism business (IT3: 314).*

On the issue of overcharging and the limited offering in terms of product diversification, all the participants were of the view that Rwanda sold itself as a tourism destination based on a niche market of mountain gorillas. The whole product is very much associated with nature and environment; however, they estimate that continuing to rely on the marketing of a single product to be sold to an ever-changing customer base of travelers with different needs and expectations may be seen as not sustainable in the long run. They suggest that Rwanda needs to understand what is at the core of its destination as a
country, and their position on the tourism market regionally or internationally. According to one policy-maker interviewed:

Diversification has been rhetoric among tourism key players; but the eco-tourism product promoted and sold by Rwanda has been around the three national parks. Each park has its own product themed around it, but at its heart is the eco-tourism product. This is to be found in what is associated with these three parks as a means of offering in the country, regionally and internationally. A more diverse, attractive, distinctive and competitive product needs to be developed. However, due to lack of sufficient linkages between what these parks offer inside and outside their boundaries, coupled with lack of sufficient knowledge of the product and a clear gap in the holistic understanding of the product by the key players, lack of creativity and innovation, Rwanda may be constraining the development of its tourism sector (IT7: 327).

One of the tour operators interviewed was very critical on this issue and stated:

The selling of wildlife and eco-experience in Rwanda is still in its infancy and not rounded enough to incorporate interpretations due to the low skills of guides and rangers working in these national parks, which would give a better experience for tourists. He further suggested that the product in Rwanda, centered on the eco-tourism product, should be enhanced to offer the “natural experience based on knowledge of the forest and natural resources” (IT5: 320).

Another factor that negatively affects the competitiveness of Rwanda as a destination, as mentioned by most of the respondents interviewed, was found to be the “value for money” for the product sold and experience of the service delivered. Their view is that Rwanda is perceived and sold as an “expensive” destination compared to other East African destinations (e.g., Uganda and Tanzania), and that Rwanda has made it clear that its interest lies in high-end tourism; this is very selective vis-à-vis the type of market, pricing strategies, and the number of visitors a tourism destination chooses to accommodate. They note that normally the high-end segment of the market is associated with high quality and superior service-delivery; Rwanda still struggles to meet these values. Continuing in that vein, Rwanda has a long way to go in delivering and meeting customer expectations: The issue at hand is what is delivered and perceived as value for money, the lack of a more diversified product, poor customer service due to shortage of skilled personnel, and the fact that it is an expensive destination: all hinder the country’s competitiveness. One interviewee stated:
Rwanda has been cashing in on the mountain gorilla product with very limited scope for a more robust future tourism products articulated on quality and improved customer service-delivery (IT4: 317).

Another tour operator mentioned that:

Looking at the profile of tourists visiting Rwanda; you can understand that it was a niche market predominantly for USA, UK, Germany, and Australia (IT5: 320).

The trend observed is that even the current market being targeted is becoming commonplace; it is one that demands and expects a lot in terms of quality service and product diversification. It is not all about creating products to complement mountain gorilla tourism; rather, it is about innovation and creativity to address the expectations and demands of the market, while broadening the horizon for potential markets. It is also about Rwanda attempting to diversify by transitioning to cultural products involving communities, arts and crafts, museums, a trail-linking corridor crossing the Congo Nile and connecting to two national parks Nyungwe and Volcanoes, bird-watching, cave tourism, as well as exploring the aquatic (lake) experience.

Based on all the 9 interviews conducted for this research, it was observed that product diversification was the missing element, while innovation and creativity in the current product was reported by the respondents as the weakest link – that, coupled with offering a tailored experience to meet changing attitudes and beliefs. Below is one quotation from an interview with an entrepreneur tour operator that sums up this point:

We have been selling gorillas in Rwanda for years; our other products to complement this unique product are not strong enough. Lack of diversification, for instance in Kigali Hub, Volcanoes DMA in Musanze and Gisenyi DMAs to offer leisure, entertainment, arts and theater, based on our culture is still the missing part, on a professional level (IT5: 320).

The high-end experience perceived as being offered in Rwanda is compared to the high standards found in this product generally, yet the level of service is not commensurate. Highly personalized small-scale experiences need to be designed to meet the highest expectations, since travelers are looking to be independent to the extent that they are able to connect directly to the form of transportation, accommodation, and holiday plan they desire. The above interviewee adds:
We are expensive compared to Uganda; when you look at the service offered in many of our hotels, the amenities and customer care, it is sad to say that we are not really doing a good job at all. We are still lacking the “Five Star Factor” in all we do, whether guiding tourists, hotels and service, without mentioning our people who need to be trained, some of us have no background in tourism entrepreneurship, this is new to us, and this business is different to anything else we have done (IT5: 320).

Improving macroeconomic conditions and/or fostering individual entrepreneur’s skills

As to the one open-ended question of whether policy-makers should focus on improving macroeconomic conditions and/or on fostering individual entrepreneur’s skills and competencies in a bid to increase the number and quality of entrepreneurs involved in the development of the tourism sector in Rwanda, the responses received are stated below.

Five out of 59 respondents estimated that the best option is to foster macroeconomic conditions and, if the industry is made more attractive, entrepreneurs will flock to the industry; 32 out of 59 respondents estimated that the most important thing to focus on was fostering individual characteristics, indicating that the government has done a lot to improve macroeconomic conditions, as expressed by the World Bank, in regard to doing business, starting in 2011, for four years consecutively. For them, this may provide a means of self-evaluation for entrepreneurs and help develop tourism from the grass roots, along with becoming the voice and face of the tourism sector, since they will be able to transfer the knowledge they have acquired to their employees and related associations. In doing so, they may be able to challenge the government on policy matters that affect their businesses.

The third response given by 22 out of 59 respondents stated that the country is still struggling to improve macroeconomic conditions, while, at the same time, entrepreneurs in the tourism sector need to be more innovative and creative to drive the destiny and future of the industry. However, this can only be done through educating, training, and retraining the entrepreneurs on different aspects, such as managerial skills, customer-care delivery, use of knowledge and technology in online marketing, and on quality customer-service delivery.

Taking into account the three responses from the respondents, it appears that most of them estimate that not only is continuing investment in tourism entrepreneurship education of capital importance for the tourism sector to thrive but also that training and retraining entrepreneurs already in the tourism business is paramount in order to foster industry-based skills so that
tourism will thrive in a more competitive market rather than remaining stuck in the existing way of doing business.

**Improvements in tourism today and its perspective five years to come**

As to the question addressed to interviewees on what entrepreneurs and policy-makers, as key players in the tourism sector, would like to see improved from now through the next five years, in a bid to overcome some factors adversely affecting the tourism sector, most of the interviewees (66%) agree that Rwanda is still a young tourism destination, without appropriately assertive tourism-related educational programs. Tourism policies and strategic orientation are in their early implementation stages. There is still a deficit in terms of human resources, overwhelmed by the ever-expanding tourism industry that is growing at an unprecedented pace. Acknowledging that tourism is an industry where skills are required to gain employment, a sector where career opportunities are available for young and old, men and women, it still has to be immersed and infused into Rwandan culture and practice. Instilling a quality service-delivery culture, a readiness to work in the tourism sector represents the foundation of the success of the tourism sector in Rwanda in general, but most particularly in the three DMA areas studied. Problem-solving, critical thinking, teambuilding, and cultural-sensitivity skills training are not encouraged in academia in Rwanda, according to a majority of the entrepreneurs interviewed (64%). They insist that spotting soft skills during the selection process for those who are enrolling for training will guarantee the rigor that will make a difference, and will save them time and money investing in the wrong people. As stressed by one entrepreneur interviewed:

> One area for improvement is to standardize service provision by adopting East Africa classification star ranking standards of hospitality establishments. In addition, setting clear goals and high standards may be a good solution aimed at tackling the central issue of the supply side meeting the interest of the demand side (IT2: 311).

Most of the entrepreneurs and policy-makers interviewed agreed that Rwanda is struggling to go beyond a mountain gorilla-centered product to a more diverse offering; but they cautioned that its success would highly depend on its shift to a multi-functional destination that can adapt to changing tourist-consumer behavior and tastes. They added that the skills of entrepreneurs, policy-makers, and local citizens also has a huge implication in terms of the effectiveness of the tourism sector, which requires learning several new skills that can help them to be innovative and creative. One entrepreneur interviewed stressed the point by saying:
The moves and trends observed today in the tourism sector go beyond the standards and traditional skills and tend to shift towards IT Systems. The human dimension of soft skills is centered on cutting edge innovation and service-delivery. Higher educational and training requirements – which are key points of entry into the workforce – workplace pay, location and ownership of tourism businesses are some of the key ingredients that this sector needs emphasize on to underpin in its development phase today and tomorrow (IT6: 323).

To conclude this section on the results presentation, and the analysis of the main themes that arose from the research questions through interviews and questionnaires, I want to go after more insights, and find out whether government policies and regulations are paramount in sustaining entrepreneurs’ skills and associated psychological aspects. My assumption was that fostering tourism entrepreneurship in Rwanda could stimulate local entrepreneurs by tapping into existing entrepreneurial opportunities and, through strategic policy and legislation, greatly contribute to tourism's positive impact on economic growth. Connecting the empirical results to the findings from the literature review in chapters two and three has revealed an important role played by government through formulation of policies and regulations in terms of sustaining tourism development. The results also showed some inclination as to what the contribution of tourism entrepreneurship is to economic growth. The findings revealed that tourism in Rwanda, although only having recently emerged as a promising business activity, has now become a number one foreign income earner.

The sustainable development tourism master plan (2009: 29) states that Rwanda aims to attract more high-end visitors. However, this will depend on a number of critical factors that have been raised by empirical findings, such as extending the product range in terms of variety, quantity, and quality, particularly in terms of developing entertainment alternatives and strengthening linkages with recreational, cultural, and sporting services for a longer stay of tourists and incremental opportunities to spend, along with improved access to financing, particularly for small and medium-sized enterprises, more facilities in Kigali Hub and the main cities in DMAs, and developing legislation to regulate the industry and tourism professions in the area of accreditation, certification, and licensing. In addition, tourism development needs to be grounded not only in the reality of what the country can support but also should reflect the uniqueness of what Rwanda has to offer. This could bring about great results if an element of entrepreneurship policy, targeting nascent and existing entrepreneurs in the sector, could be put in place to enhance their creativity and innovation, and to streamline competitiveness through better pricing and product diversification.
5.4 Discussion of the findings

The discussion in this section links the debates in chapters two and three on the literature review to the main results from the empirical work of this chapter five. The discussion concludes by connecting the empirical results to the contribution of entrepreneurialism in tourism to economic growth in Rwanda.

Thomas, Shaw, and Page (2011) note that much more research on tourism entrepreneurship is required in tourism studies, and this research is an attempt to bridge the gap. It seeks to understand the challenges for policy measures that may strengthen the link between tourism entrepreneurship and economic growth in Rwanda. The research went on to forge ahead in discovering those factors that adversely affect tourism development, and mitigate them in view of changing needs and tastes of tourist visitors. Tourism has emerged as a new, promising commercial activity owing to its contribution to the economy of Rwanda as primary earner of foreign income for nearly a decade now, and, therefore, tourism entrepreneurship is certainly necessary for tourism development going forward due to policy formulation challenges related to competitiveness, skills, and product diversification pressures facing Rwanda as a tourism destination.

As Hall and Williams (2008: 231) note, “Tourism firms have always innovated in the face of such competitive pressures... but tourism research has lagged behind in analyzing this until recently.”

This section discusses empirical results from respondents and interviewees, and their interrelations and/or challenges to the literature reviewed, in view of the multiple ways entrepreneurs and policy-makers engage in entrepreneurialism vis-à-vis the tourism business opportunities and challenges affecting the development of tourism sector in Rwanda, which is considered as an avenue for economic growth. The discussion section focuses on the main findings as they have emerged from interviewees and answers from respondents in relation to the research objectives.

The empirical data revealed a positive rise in tourism development and its associated economic growth in Rwanda. This finding is apparently a result of the contribution of the involvement of all tourism’s key players and, in particular, of tourism entrepreneurs, who create value, exploits, shape, and manage the tourism business. This point was much emphasized in chapter three and matches the point stressed by Ahmad (2013), whereby the role of entrepreneurs, in the process of creating added value by devoting the necessary skills, time, and effort, and assuming the accompanying financial, and sometimes physical and social risks, reap the resulting monetary rewards and personal satisfaction. Along the same lines, Ateljevic and Page (2009) state
that tourism is considered an avenue for economic growth and a boost for entrepreneurs. As stated by Ahmad (2013), the culture of enterprising or entrepreneurial behavior encompasses entrepreneurial skills and a number of behavioral attributes, which facilitate the effective and efficient exploitation of tourism entrepreneurial opportunities. According to Morar (2013), these attributes include being proactive, innovative, future and achievement-oriented, able to operate independently, and willing to take reasonable and calculated risks, and perseverance. Kuratho (2005) posits that new venture creation is the focal aspect of entrepreneurship, and, in many places, many researchers argue that the start of a new venture is centered on the need to exploit a business opportunity (Shane, Locke, & Collins, 2003; Shane & Venkataraman, 2000). The findings from empirical data confirm that tourism in Rwanda remains the primary income earner. This is an indication that tourism entrepreneurship has played a core role in advancing this developmental process through the emergence of tourism entrepreneurs who take advantage of available tourism opportunities, such as development of hotels in Kigali and other major cities, establishment of eco-lodges in Nyungwe, and creation of theme parks, establishment of zoological and botanic garden in Kigali, development of boating and water sports in Lake Kivu, development of tourist sites and activities around the hot springs in Rubavu district, Nyamyumba sector, etc.

Looking at the sustained growth of tourism in Rwanda for the last decade in terms of GDP, employment, and contribution to investments, it appears that the role of entrepreneurs has been tremendous as affirmed by a large majority of the respondents (70%). This was mainly due to the availability of entrepreneurial opportunities in the tourism sector, as supported by a majority of respondents (64%). According to WTTC (2014 – Rwanda Economic Impact) and RDB statistics for the last decade, the contribution of exports of travel and tourism to total services exports, to GDP, and to total employment is on the rise, and the forecast follows the same pace. The above achievements confirm the high level of the contribution of tourism to the economic growth of Rwanda and the role played by entrepreneurs in tapping available opportunities in tourism, as confirmed by most of the respondents. However, as noted in different reports and by a minority of entrepreneurs interviewed (34%), insufficient levels of investment, especially in the remote DMAs, coupled with the difficulty of access to financing, especially for local entrepreneurs, remain a serious threat to sustaining product development and diversification efforts in accordance with Rwanda’s needs for the tourism sector. These views indicate that there is need for improvement of incentives to attract investments in key areas of shortcomings, such as investment in human capital, cultural, recreational, and natural resources. Investment opportuni-
ties have also been identified in the regional conference business in Kigali, the construction of more 3-star, 4-star, and 5-star hotels both in Kigali and in regional main cities like Musanze and Gisenyi, and other development management areas in Rwanda, in order to attract premium eco-tourism operators and to widen the activity base in this subsector.

Along the same lines, a 2013 report by the World Economic Forum has identified areas that could be further improved because of their implications for a broader investment attraction strategy, such as promotion of a business-friendly environment and dealing with shortcomings in terms of infrastructure, human capital, as well as cultural and natural resources. The above-mentioned report found that existing investment levels are insufficient to sustain product development strategies and diversification efforts in the region. This view is also shared by the entrepreneurs in Rwanda, who indicate the need to increase investment in the following areas: accommodation establishments, tourism and hospitality training institutions, boats and water sports facilities, establishment of zoological and botanical gardens, and creation of theme parks.

Another area suggested by the entrepreneurs as requiring additional investment is infrastructure development, particularly regarding the road infrastructure linking main city centers with main parks and recreational areas. The GoR has also recognized the need to assess the effectiveness of investment incentives regimes in the broader context of creating a more conducive environment for investment and addressing emerging needs for sector development. In this endeavor, identifying and proactively developing sources of investment on a sector-targeted basis and targeting better incentives, particularly for small-scale and eco-tourism operators, is of great importance, as suggested by most of the entrepreneurs interviewed. This finding is in line with the findings of a survey conducted by UNWTO-STMP (2009: 63) that revealed a low level of new enterprise formation and growth with particular reference to locally owned/managed tourism SMEs.

50 Inputs provided by stakeholders (RWASAGA; Rwanda Association of tour guides) – February 2012.
In view of what was revealed by the empirical study, the literature, and various reports, the general overview is that, for more than a decade, Rwanda has implemented significant economic reforms, including privatization, investment facilitation, and trade liberalization (UNCTAD, 2011), which have positioned Rwanda so as to make considerable progress in raising GDP and investments in tourism over the past years. Thanks to both private investments and public infrastructure spending, tourism has been one of the key drivers of economic growth in Rwanda, and forecasts tend to maintain the same pace, as was revealed by most of the people interviewed.

A controversial point raised by a majority of the respondents (62%) is related to structural constraints related to shortage of appropriate skills, not only in managerial and entrepreneurship skills but also in the hospitality sector, hindering rapid transformation of the economy of Rwanda. This shortcoming is very serious and can compromise the growth of the tourism sector. It entails a more dedicated effort in terms of focusing on improving the skills and competencies of entrepreneurs, recognized as agents of change and vehicles for innovation (Acs & Audrestch, 2006). Successful tourism development depends not only on attractive sceneries, exotic wildlife, tourist attractions, historical sites, and accommodation facilities but also on quality of services. Hospitality and tourism is a people industry – people providing services to people. This makes human resource development one of the key components of successful and sustainable tourism. As cited by most of the respondents and emphasized in the SME Policy of 2010, limited investments and incentives for local entrepreneurs, difficulty in accessing financing, shortage of skillful human capital, a weak culture of entrepreneurship, weak infrastructure and limited innovation potential are threats to the future of the tourism sector. Competitive services can only be provided by a well-trained and skilled workforce, with the right behavior and the right performance. A skilled and qualified workforce requires training, basic education, and formal vocational training as well as continuous in-service and on-the-job training, and upgrading of training. Modern hospitality is not a mere provision of services but is essentially “hosting” guests and visitors. Servicing other people is a part of many cultures, but “hosting” has to be learned. Also a commitment to tourism has to incorporate a commitment to human-resource development and training.

Turning to policies and regulations concerning entrepreneurialism in tourism in Rwanda, a majority of the respondents who participated in this research confirmed that much of Rwanda’s success in boosting output has been facilitated by a progressive policy of reform. As such, UNWTO-STMP (2009:110), stresses that the government’s role in tourism has been to provide leadership
for the tourism sector as an economic force for the nation; it has intervened and acted as a catalyst where the industry itself was unable to act effectively. Along this line, Vision 2020 stresses the development of an efficient private sector, spearheaded by competitiveness and entrepreneurship, as one of the key pillars for transforming Rwanda into a middle-income country. In addition, entrepreneurship is well embedded in the country’s Economic Development and Poverty Reduction Strategy I (2008-2012) and II (2013-2018), which identifies a lack of entrepreneurship as one of the key challenges for sustainable economic development.

According to UNCTAD report (2013), the culture of reform has been a focus of the GoR since the mid-1990s and has improved economic conditions by reducing bureaucracy and streamlining the legal framework. With a strong record of economic reforms to promote private investment and improve regulatory environment, Rwanda’s ranking on the World Bank’s “Ease of Doing Business Survey” has improved dramatically since 2009, so much so that in the 2014 “Ease of Doing Business” report of the World Bank, Rwanda was ranked 32nd out of 183 countries surveyed, and 2nd in sub-Saharan Africa, and the highest in the East African region.52 As mentioned in chapter two, the GoR has prioritized tourism as a key driver for future growth, economic diversification, and development (Tourism Policy, 2010: 3), and has shown the desire to push it further to become a “high-demand tourism destination” (Sustainable Tourism Master Plan, 2009: 29; Government of Rwanda, NES, 2011: 30). The tourism policy of 2010 states that the overall objective of the policy is to increase tourism revenue generation in a sustainable way, and generate profits for investment and jobs (Tourism Policy, 2010: 3). From the above-mentioned strategic objectives, one can understand that the vision for tourism embedded in Rwanda has been placed at the heart of a political agenda among other economic sectors, which is in line with the views of a majority of the policy-makers and entrepreneurs interviewed. However, diversification and lack of strong collaboration between the private and public sectors was pinpointed by a sizeable minority of the respondents (38%) as a hindrance that can compromise such positive progress. Along that line, according to the UNCTAD Report (2013: 5), Rwanda’s success in boosting tourist arrivals has not lead to a proportional increase in its total receipts from foreign travelers. A number of areas require appropriate policies in order to overcome this challenge and boost the contribution of the tourism sector to the national economy. According to the sizeable minority of the respondents noted-above, strengthening the sector could include: developing entertain-

5.4 Discussion of the findings

ment alternatives and linkages with recreational, cultural, and sporting services; strengthening partnerships with local services operators for awareness raising campaigns; strengthening the institutional and regulatory framework related to tourism education and capacity building; developing a framework to monitor and continuously improve quality in services delivery; improving access to financing particularly for small and medium-sized enterprises (SMEs); and developing legislation governing the industry and governing the tourism professions (particularly regarding accreditation, certification, and licensing). Strong collaboration between key tourism industry players needs to be improved in addition to a continuous diversification of the tourism offering. As it was mentioned in the OTF Group Report (2002), this collaboration, led by the private sector, has produced good results in the past through what was termed as the "tourism working group." According to the World Economic Forum (2011 Report on Travel and Tourism Competitiveness), Rwanda ranks higher than all other EAC countries in the regulatory framework index, thus providing her with a competitive edge against other regional competitors (WEF, 2013). This is also in line with the satisfaction of a large majority of the respondents (71%), whose views match those of Rwanda’s main international partners such as the World Bank, which has proclaimed Rwanda as being one of “top reforming economies in Africa” from 2010 to 2013, and the World Economic Forum.

In spite of the above-mentioned progressive reform in terms of the business environment that Rwanda continues to show, some views by a minority of entrepreneurs (38%) indicated that some areas of policy reform still need to be sharpened, especially areas related to innovation and creativity among key tourism players, and education and training for improved skills and competencies. They estimate that if appropriate policies are put in place, this can elevate the level of ingenuity and service-delivery. Another area of policy formulation that has been raised concerns the issue of “pricing and value for money.” They estimate that tourism in Rwanda is very costly, making destinations less attractive and competitive. This has been highlighted also by Hannan and Spenceley (2010: 16), stating that the quality is variable and not standardized, and prices are high relative to equivalent quality in other East African countries. The IMF has also advised the Government of Rwanda to

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continue to reduce bottlenecks related to lowering the price of doing business by raising productivity, improving infrastructure, pursuing labor-intensive growth, and facilitating access to financing. The issue of limited access to financing corroborates the statement made by a slight majority of entrepreneurs (57%), who agree that the availability of financing to develop and promote the tourism industry is one of the critical bottlenecks for the industry’s further growth and development. Some voices from among the respondents pointed out that a number of policy guidelines have yet to be introduced to guide the increased financial commitment and high-quality standards needed for the development of tourism in Rwanda. This point has also been advocated by Kruger (2011), who noted that such improvements are needed in regulating the protection of the industry and governance of the tourism professions, such as a licensing system for service providers and regulation on accreditation, and certification of recognition of equivalence of academic and vocational qualifications in the tourism industry.

Tourism education and training was also identified in the empirical research as another critical area of policy formulation that needs to be tackled due to its role as one of the fundamental pillars of the development of a new tourism paradigm focused on the quality and competence of the stakeholders, who can shape the purchase decision of the visitor in the tourism sector. As noted by UNWTO (2010) and supported by a minority of respondents (27%), the private sector has a critically important role to play in improving the quality, productivity, and competitiveness of the tourism industry. While it is often believed by some entrepreneurs that the key to quality lies in the physical features of the tourism product, it is actually the quality of the experience delivered by the labor force that determines the true quality of the tourism experience (Nickson, 2007). At the same time, labor is often taken for granted. Rooms and equipment, and walls and furniture (hardware) are regularly upgraded by entrepreneurs, but the skills of employees (software) are rarely refurbished. In particular, many front-line employees – the first and often the most frequent point of contact for visitors – are often not adequately trained or prepared for the job at hand in Rwanda, as explained by a majority of the participants (62%) in this research. In the tourism industry, as in other industries, labor is far more than just a production cost – labor holds the key to quality (Baily, 2005). As highlighted in the EDPRS2 and in Vision 2020 documents, human capital development has been prioritized by the GoR in a cross-cutting manner to develop the competitiveness of the overall service economy, but particularly in the tourism sector, where the role

of employees is significantly recognized as interaction with customers. This area is considered crucial for increasing profitability by attracting higher-end tourists and capturing higher margins, while pursuing Rwanda's diversification strategy in the sector. If the tourism industry has tremendous potential to generate more revenue and create jobs, as demonstrated by the reports and the literature reviewed (WTTC, Rwanda Economic Impact, 2014; UNWTO, 2010a), and later confirmed by empirical data in this research, it seems obvious for the government to initiate appropriate policies and measures that can facilitate the development of appropriate skills and experience, necessary ingredients that can propel further economic growth. With the trends shown in the past decade and expected tourism investments in the sector, responding to the staffing needs of the tourism industry in the form of tourism education and training is one of the fundamental pillars of the development of a new paradigm in the tourism industry. As stressed by many researchers below, the knowledge gained from education, training, and experience represents a resource that is distributed across individuals and is, in effect, central to understanding differences in opportunity identification and exploitation (Anderson & Miller, 2003; Chandler & Hanks, 1998; Gartner et al., 2005; Shane & Venkataraman, 2000). And as explained in chapter two, tourism is first and foremost a people-business industry: People can turn the supply of resources and products into experiences, which are then consumed by visitors. The higher level of human involvement in tourism experiences is capital to creating value for the consumer. It is therefore understandable that the relationship between consumer and employee can make or break the quality of the experience, and this is totally dependent on the three interconnected elements of human resource development, which are education, training, and human capital management (UNWTO, 2010a). As such, the human resource element in tourism is one of the most important dimensions for success in a global industry that generates one in eleven overall number of jobs created worldwide (direct and indirect) and 9.5% of global GDP in 2013. Looking at the key economic indicators stated in the literature review, despite an upward trend shown over recent years, Rwanda still has both a low literacy rate and low income levels. The country’s human development index, as well as its services industry within the overall economy in Africa, is low.\footnote{NISR (2011). Rwanda Demographic and Health Survey 2010 Report.} In accordance with the OECD Report (2009), as discussed in the literature review, building the capacity of SMEs in the tourism sector not only requires targeted interventions but also the development of an innovation-oriented tourism policy, such as maximizing the use of online-technology to facilitate marketing, enabling direct linkages between tourists and tourism
services suppliers, and increasing integration in the tourism value chain by promoting greater cooperation between tourism SMEs through network and clusters. This could enhance productivity and the rate of technological innovation and help build a common industry view for lobbying local authorities; overcoming some of the disadvantages of small size by undertaking cooperative activities (e.g., in marketing); and pooling resources for human resource development; enhancing growth and the competitive performance of firms, as stated earlier in the literature review in chapter three. In the same vein, the OECD Report (2009) finds that a supportive role on the part of the state consists of putting in place effective frameworks for the ICT sector, promoting training and skills development, encouraging innovation, and establishing standards and quality norms.\(^{58}\) Thus, the collaboration of public and private sectors is paramount and complementary in this endeavor.

According to Jonker and colleagues (2004), tourism has become a fiercely competitive business for tourism destinations the world over. Competitive advantage is no longer market opportunity or natural tourism resources available at destinations, but is increasingly man-made, driven by science, technology information, and innovation matter. In the case of Rwanda, especially in the development management areas, the issue is how the resources and opportunities available are managed and integrated with other skills and competencies that can determine Rwanda’s share in the tourism market and create a competitive advantage. As suggested by Timmons (1978), optimism is supposed to prevail in the entrepreneurial problem-solving style and to influence the decision to exploit entrepreneurial opportunities (Shane & Venkataraman, 2000). As stated by Aston and colleagues (2008), small enterprises, where most of the tourism business is situated, face many constraints in training entrepreneurs and workers, since they have fewer opportunities than larger enterprises to engage in formal training. Smaller enterprises often cannot meet the costs of training, particularly if workers who are trained move quickly to other employers; they lose time and may face disruption in enterprise operations if entrepreneurs and workers are attending training courses. It has been observed and expressed by a majority of the respondents (62\%) in this research that, when it comes to human capital and skills, Rwanda still has a long way to go. The MIFOTRA Survey (2009) revealed an acute deficit of 69.4\% of human resources required to support the tourism sector in Rwanda. This has even been shown by the respondents in this research as a critical bottleneck, especially in the remote development management areas of Gisenyi and Musanze, because the few people with the necessary

skills prefer to work in the capital city of Kigali. It appears that a shortage of human capital and necessary competencies to boost service-delivery is among the most important obstacles for tourism development in Rwanda in general and particularly in destinations away from Kigali Hub. The ambitious target of Economic Development and Poverty Reduction Strategy 2 (EDPRS2: 2013-2018) of creating at least 200,000 jobs annually countrywide seems to be one solution for spreading skilled people to meet the demand at destination. As suggested by a majority of the respondents (62%), this could be achieved through the reform of the national educational curriculum, and also by strengthening and localizing technical and vocational training, which is the core of the tourism sector. Rwanda’s plan to reach medium-term development over the next five years, as adopted by the Cabinet in May 2013, assumes that fostering hands-on skills through a competence-based approach may contribute to sustainable tourism development for Rwanda. As noted earlier in the literature review and confirmed by a majority of the respondents (62%), Rwanda not only has a shortage of qualified skilled workers but it has also been found that developing, funding, and implementing a strategy to meet this need is a major challenge. Educating and training an unskilled labor force to respond to the various needs expressed by the respondents in tourism arises as a puzzle for the country.

As stated by the 2013 WDA report, the deficit of skills in the tourism sector is acute, ranging from basic soft skills to hard skills in a country with an embryonic sector, and with limited tourism and hospitality educational institutions. Rwanda’s needs in terms of developing high-end and eco-tourism require appropriate skills, such as good communication skills, good customer service, good understanding of biodiversity and environment, mastering new technology, and advanced managerial skills, in order to reflect the requirements of the high-end targeted markets. As noted above, the hospitality industry, which is the backbone of the tourism sector, is facing severe labor shortages, especially in the technical area (i.e., supervisors, mid-level management, and assistant chefs) with a 96% deficiency. As for trained waiters and cleaners, the deficiency is recorded to be as high as 70%. The shortage of skills in the hospitality sector is as serious as in the other sectors where the gap among professionals is 55%, technicians 12%, and artisans 53% (WDA, 2013). The severity of the shortage, especially at the professional and supervisory levels, impacts on the quality of the tourism products offered. As suggested by a majority of the respondents, Rwanda needs to place skills at the center of its tourism development agenda in order to increase the number and quality of the manpower required for the tourism sector in general, and particularly in development management areas where tourism activities take place. In this endeavor, the desire to align service-delivery and competitive-
ness to the wants and the needs of the tourist visitor is paramount. Rwanda’s destinations are evolving towards a new era requiring more than just diversified products to enhance and nurture rich tourism experiences and memories. As pointed out by a minority of respondents (14%), the country exists in a very competitive region, and, to prosper, it needs to improve its competitive advantage regionally, as well as on the global stage. A variety of factors determine the ability and interest of tourists to travel, and how far they are willing to travel. According to UNWTO (2013), the classic determinants of tourism destinations are demand, volume, income, consumer tastes, preferences, security, proximity, demographics, etc. On that note, as seen in chapter two’s literature review, understanding trends in tourism for Rwanda requires an analysis of its promotional activities that capture global and regional development, and the local landscape. The market needs to look into what else it can offer in terms of needs and demands of tourist visitors. Responding to existing and foreseeable changes in the tourism industry market requires that Rwanda needs to understand what is at the core of its destinations, as well as what its position is in the tourism market regionally and internationally. Due to lack of sufficient linkages and coordination between what these parks offer inside and outside their boundaries, coupled with lack of skilled and competent staff, and in addition to a lack of innovative entrepreneurs operating in tourism, Rwanda may have a serious problem in sustaining its tourism if these challenges are not seriously addressed.

The current research has identified the pitfalls that need improvement and the potentials that need to be strengthened in the tourism sector. Changing the current SME policy into an entrepreneurship one may cater to individual entrepreneurs, believed to be the agents of change, by addressing their entrepreneurial skills development. At the same time, continuing to improve on those policies that address the factors adversely affecting the tourism sector may produce greater results. This is in line with the entrepreneur’s framework of Wennekers and Thurik (1999), presented in chapter three, which links the individual entrepreneur’s innovation and contextually favorable conditions to economic growth. Taking and adapting this entrepreneurship framework and linking it to economic growth means linking the individual tourism entrepreneurs to the firm and to the macro levels. The same views are shared by Lumpkin and Dess (1996: 138), who state that small firms are an extension of the individuals in charge, whose entrepreneurial actions lead to economic growth in various ways.

According to UNCTAD (2013), the development of capacity building for tourism development requires designing strategies, at macro and micro levels, to promote a culture of quality service-delivery and customer orien-
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tation, continuous learning, and improving the capacity to monitor results. The same report suggests that to achieve this target, a national qualification framework needs to be developed for the tourism sector to correlate skills required in the sector with the means to develop these qualifications in the educational system, as well as through non-formal and informal learning means. It is believed that this framework could serve as a strategic tool for guiding the overall modernization of the educational and training system towards improved quality service in the tourism sector. Doing this, however, necessitates a review of the key elements in the country’s educational and training system and matching it with the labor market, as suggested by a majority of entrepreneurs and policy-makers interviewed (62%). They suggested developing competence-based curricula for specific areas within the tourism sector, in line with the findings of the survey on the “National skills gap” (MIFOTRA, 2009) that identified the shortcomings and challenging areas for Rwanda that could be the starting point for bridging the gap.

Through various document reviews (UNCTAD, 2013; WDA, 2013; Nibigira, 2013), it has been found that there is also a need to develop specific policies to cater for tourism SMEs, given their importance in destination competitiveness and their economic development potential. The same documents also revealed the necessity to develop the capabilities of SMEs so as to improve their business performance and quality of service-delivery. As suggested by a majority of the respondents (62%), an increased investment in training entrepreneurs and workers in tourism SMEs should emphasize imparting supervisory and managerial practices, and knowledge of the dynamics of the tourism industry, along with quality standards. It is believed that maximizing collaboration and the integration of SMEs in the tourism value chain among SMEs could shed light and add value in terms of economies of scales and exchange of ideas, and this is in accordance with Rwanda’s practice of attracting big hotels.

As seen in the literature review, demand is driven by the quality of a product that meets changing needs and goes beyond expectations. In order to keep the promise of a high-end tourism destination and also an eco-tourism product – while simultaneously delivering the services and standards promised and expected from a high-end tourism destination – Rwanda may need to address some of the pressing issues related to high-quality service and product delivery. Interest in longer-stay options and preferences, coupled with additional spending in the country, implies a requirement to open the country’s doors from East to West and North to South so as to offer more products, accessibility, and connectivity, and also proximity to the surrounding region, as defined in the development management areas of the country, a
mechanism for providing a range of facilities and services closer to the areas where tourism activities take place. As noted throughout the literature review and empirical data of this research, a rich and diverse experience is the missing component for enriching the tourism product in Rwanda, especially in the development management areas studied; this is for me the core of what the Rwandan tourism sector should focus on in order to offer a more diverse and quality service and competitive product.

To summarize, the central question has been focused on how memorable experiences, and quality service and product can be connected and sold to tourists from a high-end perspective, while maintaining similar standards. This is indeed the challenge facing Rwandan tourism, especially with regard to newer and emerging tourism destinations. According to UNWTO (2010), the new profile of today’s tourist takes into account the products and services, which are not only good “value for money” but also products associated with a degree of “modern sophistication” and concurrent “product knowledge.” To promote and portray the country as a diverse and competitive destination may require Rwanda to capture these three essences owing to the fact that they are center stage in the decision-making processes of the new tourist Rwanda is looking for. Focusing on the financial conditions, holiday prices, and value for money are not the only determining factors; added to this is the diversity of the product from a wide range of varieties and offers, which are only few among many. An independent, well-travelled, and educated tourist is more likely to be the next tourist visiting Rwanda, seeking diversification of interests and tastes, and also looking for a more constructive and more memorable experience (ibid.).

It has been argued in the literature review that entrepreneurship is at the heart of economic growth (Porter, 1990) and vital to successful tourism provision. The rise of entrepreneurship in tourism is being driven by a highly dynamic and constantly changing business environment from the individual entrepreneur, considered as agent of change, to micro and macro levels (Wennekers & Thurik, 1999). Globalization, technological developments, and social media are contributing to this shift that calls for an increased role for entrepreneurship as expressed by a majority of the entrepreneurs interviewed (68%). A growing body of research has also linked higher levels of entrepreneurial activity to economic growth (Acs, Carlsson, & Carlsson, 1999; Audretsch & Thurik, 2001a, 2001b; Reynolds et al., 1999, 2000; Wennekers & Thurik, 1999, OECD, 1995, 2001; Lundström & Stevenson, 2001; GEM, 2005). In the case of Rwanda, some respondents (16%) stated that tourism operates in a competitive business environment because of so many destinations offering tourism activities, competing around the world; to prosper,
they suggested that improvements in the tourism sector lie in constantly increasing numbers, and a quality supply of new entrepreneurs and manpower, while harnessing its competitive advantage regionally, as well as on the global stage. According to NISR Census (2011), the majority of SMEs are in the service sector, where tourism is situated, signifying their key potential in developing the services sector in Rwanda. Despite their small firm size, SMEs can play a major role in boosting economic growth (UNCTAD, 2013). However, a variety of factors determine the ability and interest of tourists in making a trip to a destination, along with how far they are willing to travel. Taking into account what has just been described calls for understanding the trends shaping the demand for tourism for Rwanda better. What emerged from the literature review (Rwanda Tourism Policy, 2010) is that Rwanda is seen as an expensive destination compared to other East African destinations (e.g., Uganda and Tanzania). This view is reflected in the Rwanda Tourism Policy (2010:3), where the country, as a tourism destination, appears to be very selective as to the type of market, pricing strategies, and the number of visitors it chooses to accommodate. The high-end segment of the market is associated with high quality and better service-delivery, ingredients that Rwanda has struggled to offer over the years (IPAR, 2010). As stressed by the participants in this research, Rwanda has a long way to go if public, private, and community are to deliver and meet customer expectations and value for money. It became apparent from the study that, owing to lack of a more diversified product, poor customer service, and purported expense of the destination, in addition to quality entrepreneurs in the business, Rwanda has been cashing in on the mountain gorilla product with very limited scope for a more robust future tourism product, articulated on quality and improved quality service-delivery.

Looking at the profile of tourists visiting Rwanda, it is clear that it is a niche market predominantly for visitors from the USA, UK, Germany, Belgium, and Australia. The trend observed is that even this currently targeted market is finding this kind of tourism a bit common-place, and is now demanding and expecting a lot in terms of service and product diversification in Rwanda. The demand is driven by the quality of the service and product that should meet these changing needs and go beyond expectation. In keeping the promises of a high-end tourism destination, and also an eco-tourism product, while simultaneously delivering on the services and standards promised and expected from a high-end tourism destination, Rwanda must address some of the pressing issues adversely affecting its competitiveness.

A rich and diverse experience is the missing component needed to enrich the tourism product; this is the core ingredient of what the new vision of Rwanda in terms of diversification must try to achieve. It is not all about
creating products to complement the “mountain gorilla” product, rather it is about innovation and creativity, which, in essence, are virtues embedded within entrepreneurs as agents of change; they are the ones who can appropriately and quickly adapt and adjust, when it comes to addressing the expectations and demand of the market as well as broadening the horizons to potential, existing, and emerging markets. It is also about Rwanda innovating the way business is done by linking existing traditional products, such as cultural products involving communities, arts and crafts, museums, etc., to newly introduced products such as birdwatching routes; corridors crossing the Congo Nile trail and connecting to three national parks such as Nyungwe and Volcanoes; cave tourism; as well as exploring the aquatic Lake Kivu experience, and its related resorts and beaches.

The central question for the Rwandan tourism sector is how these experiences can be connected and sold to tourists from a high-end perspective, while extending these same high standards to newer markets and new tourist profiles as they emerge.

As profiled by UNWTO (2013), today’s tourist takes into account the products and services, which are not only good “value for money” but also those products associated with a degree of “modern sophistication” and concurrent “product knowledge.” To promote and portray the country as a diverse and competitive destination may require Rwanda to capture these three essences, owing to the fact that they occupy center stage in the decision-making processes of the new tourist Rwanda wants. As stated earlier by Poon (1993), an independent experienced traveler and an educated tourist is more likely to be the next tourist that Rwanda is looking for. According to UNWTO (2013:16), the modern tourist is seeking diversification of interests and tastes, and a more constructive and more memorable experience. A majority of the entrepreneurs interviewed point out that product diversification and quality service-delivery is a missing part of the tourism offering, while by the same token lack of innovation and creativity among entrepreneurs has been reported as a weak point in offering a tailored service and memorable experience. The high-end experience expected to be offered in Rwanda is compared to the high standards in the product generally, yet quality and high standards of services are not yet a given.

A large majority of the respondents (71%) contacted in this research stated that the government’s overall pragmatic policies have contributed to tourism performance generally, which in turn has contributed to the economic growth of Rwanda over the past decade. The 2010 Tourism Policy states that the overall objective of the policy was to increase tourism revenues in a sustainable manner and generate profits for reinvestment and job creation. As
mentioned above, internationally recognized institutions, such as the World Economic Forum, the IMF, and UNCTAD, have also proclaimed Rwanda as having one of the “top reforming economies in Africa” (WEF, 2010; IMF, 2011; UNCTAD, 2013). In spite of this positive outlook, some voices from among the respondents said that there are still some areas that need improvement, such as areas of innovation and creativity, mostly among entrepreneurs in relation to the diversification of tourism products being offered, education and training in order to have available the skills and competencies that can raise the level of ingenuity and service-delivery, as well as the domain of pricing and value for money, where some respondents acknowledged that tourism in Rwanda was very costly compared to their counterparts in East Africa. This shows that the Government of Rwanda needs to continuously enhance collaboration and communication between the private and public sectors, in the form of business development (i.e., improved partnerships with foreign companies for skills enhancement and technology transfer) and infrastructure development (for instance, using public-private partnerships [PPPs]). The study also finds that lack of access to financing and skills continues to impede a proactive participation of the private sector in the development of the tourism sector. Strengthening the capacity of local service suppliers requires specific policy measures and targeted strategies: The private sector is in a privileged position to inform policymaking in this regard, providing first-hand information on obstacles to tourism business operations. In this endeavor, those areas mentioned above are critical areas of policy formulation for the tourism industry’s further growth and development.

The area of human capital development is considered crucial for increasing profitability by attracting high-end tourists and capturing higher margins, while pursuing diversification strategies in the sector. This appears to be particularly important for Rwanda in the context of strategies aimed at developing leisure tourism and high-end segments, where tourist expectations can be considered higher and correlated to international standards. The shortage of skills in the hospitality sector seems to be serious and will require an appropriate policy formulation to address this problem in a sustainable manner so as to cover the skills gaps currently occupied by 14% foreigner experts in hospitality, as reported by respondents. On the basis of the above, Rwanda may risk potential setbacks if these challenges to policy formulation are not addressed properly and quickly in this development process.

During the past decade, thanks to support stemming from strong political will, tourism development has established a sound footing as a key base for economic growth. In seeking to change and adapt the sector, using reforms and restructuring, it has been found that Rwanda needs to continue to fo-
Focus on developing its “competitiveness,” based on its tourism products, with specific relevance to what the marketplace requires. A continuous and determined attempt to solve some of the challenges associated with policy formulation, along with addressing the issues of low capacity and under-skilled human capital, the need for innovation and diversification of Rwanda’s tourism products, access to financing, and a more dedicated effort aimed at enhancing and nurturing rich tourism experiences and memories, while monitoring trends that are shaping tourist consumer behavior – all appear to be of major importance. As per the GEM 2014 Global Report, high levels of entrepreneurial optimism, ambition, and innovation are vital in this endeavor aimed at increasing income generation from tourism and subsequently advancing the Rwandan economy. If elements of entrepreneurship and skills development for tourism’s key players, coupled with the appropriate key players, are put in place, tourism revenues can be increased even further.

The diversification of Rwanda’s tourism products is crucial to convincing tourists to extend their length of stay in Rwanda and increase the contribution of leisure tourism. To this end and with a view to diversity, Rwanda’s tourism still has a lot of unexploited potential, such as tours associated with cultural heritage, as well as religious tourism, and with MICE, birdwatching, the several species of primates, the game reserve, resorts and islands in Lake Kivu, plus crafts around the local communities. To achieve this, a majority of the respondents indicated that the country needs better coordination and linkages of all those product offerings available, as well as improved public-private partnership in addition to appropriate marketing strategies. As suggested by some of the respondents, the country needs to find out how to engage the Rwandan population so as to benefit from tourism in the form of manpower, entrepreneurs, and investors in tourism-business value chains. Entrepreneurs could play a key role in developing additional attractions, such as entertainment options, and introducing new products in Kigali or around it, as well as in the corridors linking the three parks, so as to increase the length of stay and generate more income. This goes hand in hand with addressing the constraints related to the low quality of accommodation, and food and beverage facilities along the tourism routes mainly leading to the parks. New sets of various skills are needed for entrepreneurs, managers, and the rest of the staff operating in tourism to cater for those needs and wants. They may include, entrepreneurial and managerial skills, knowledge of safety and security standards, venue management, crowd control, medical facilities, transport, waste and recycling management, MICE management skills, etc. According to WDA (2013) these skills are currently missing in Rwanda; they need to be attuned to all aspects of the tourism business required by the tourism sector in Rwanda in order to develop further. According to UNW-
5.4 Discussion of the findings

TO-AM – Technology in Tourism Volume 1 (2011: 12), there is a need for increased use of technology as the new gateway to a better tourism service and product for the competitiveness of any tourism destination. Through social media and Internet, tourists have ways of communicating information quickly, and disseminating the information efficiently and cost-effectively, hence compelling tourism entrepreneurs and staff operating in the tourism sector to take another look at technology use. WDA (2013) reports that finding the right people to help in understanding how to navigate through new technologies remains critical in Rwanda. It goes on to state that today having a website is no longer enough; making it adaptable and interactive is something tourism businesses in Rwanda need to embrace in order to be more competitive and increase the quality of service provision. This point was also reflected by a majority of the respondents (68%) in all the development management areas as a weak point, when it comes to the use of knowledge and technology by entrepreneurs in their marketing strategies. UNWTO-AM Volume 1 (2011:11) reports that Facebook, Twitter, and other social media are revolutionizing how tourism businesses are conducted and interconnected; tourist attractions are visited by people from a wide range of backgrounds and nationalities. Shifting to online technology and the use of social media represents a huge potential for providing direct and immediate access to their visitors, and this is, for me, a good opportunity for Rwanda in its struggle for tourism competitiveness and expansion of its commercial reach.

Another point that was mentioned by a majority of entrepreneurs and policy-makers as a strategy for income generation was the development of customer-service delivery. According to IPAR report (2009) on Rwandan Customer Service and its impact on the Rwandan Economy, followed by another report done in 2010 on Developing Customer Service Delivery (“Development with a Smile”) rated Rwandan customer service as the worst in the region. The report highlighted that 1 in 4 tourists have experienced negative customer service in Rwanda, and their perception was very negative towards service-delivery. The quality of customer service is not only linked to tourism services but also interconnected to other sectors related to tourism, mainly transport. Managers, employees, and customers in Rwanda still need to understand what steps and procedures are required in service-delivery. RDB (2013) reported that poor customer service has been identified as a key impediment to achieving “Vision 2020.” Worth noting is that some improvement has been recorded at the level of customer satisfaction in Rwanda – currently standing at 71% – within various public and private institutions. This is a significant improvement compared to the 60% level of satisfaction recorded in 2010. A target to increase the level of satisfaction to 80% by 2017 has been set (RDB, 2013).
Efforts towards encouraging customer service in Rwanda need to be focused specifically around basics such as how to deal with customers, with greater attention to improving what is already being delivered and making sure that all organizations involved in the tourism sector understand that customer-service delivery is at the heart of tourism.

The study cited above has captured the data showing that the RDB has pushed for new measures improving customer service in Rwanda through the “NaYombi” – meaning receiving customers with two hands – campaign with the purpose of informing and raising the awareness of the population of Rwanda on the right to good customer service as well as increasing their knowledge about the importance of complaining when good customer service is not delivered as expected. The campaign is pushing for a shift in the population’s behavior and attitudes regarding how they receive and provide customer service within their own country. The country is hoping that through such measures, customer service deliverers (Rwandans) will develop skills through an improvement in additional education and training, and adapt new attitudes and behavior in favor of the delivery of excellent customer service to guests of and visitors to Rwanda.

With the vision of transforming Rwanda into a dynamic global hub for business, investment, and innovation, it makes sense that the Rwandan Development Board is pushing for customer service in all spheres of the economy. With the vision of fast-tracking economic development in order to achieve the social and economic goals of Rwanda, customer service is at the heart of the development of Rwanda in view of the changes in consumer behavior and market evolution.

All tourism destinations are now competing at the macro and micro level due to globalization. Rwanda is part of the global economy and will not succeed if isolated. Being a member of the East African Community, pursuing the concept of one single tourism visa between Kenya and Uganda, and opening its borders to complementarities in terms of products provides added value for Rwanda. A majority of entrepreneurs and policy-makers interviewed (66%) stated that marketing East Africa as one single tourism destination, along with joint efforts in marketing, financing, planning, and policies, can surely be seen as a positive course for Rwanda, in a region so rich in tourism products. As mentioned earlier by a majority of the respondents (52%), this requires the tourism industry to work on pricing if Rwanda wants to be competitive and aggressive in its marketing strategies.

In line with the UNCTAD report (2013), in recent years, Rwanda has gained a credible reputation for its records of safety and security, which can be the most important aspect of a destination that any tourist needs to know before even making any decision on his or her holiday purchase. Nibigira
5.4 Discussion of the findings

(2014) says that the high levels of security and safety are being aggressively sold as prime factors for Rwanda as a tourism destination. The country can be proud to say that, in comparison with other East African Countries, Rwanda scores highest in this respect and has kept its promises. The feedback received from tourists visiting Rwanda is that they feel secure as soon as they arrive in Kigali, something they did not expect or experience in other African countries. Tourists who visit Rwanda, after having been in Kampala and Nairobi, arrive here and are immediately impressed. This same point was shared by all the respondents, who expressed the need to make sure the whole world is fully aware of this important aspect. The image of Rwanda as a safe and secure destination demonstrates real achievement when contrasted to its past, when it was marketed as “dark tourism.” Branding Rwanda as a destination with a distinctive image leaves it positioned in the global marketplace as a tourism destination with high-quality guarantees, in addition to attracting other niches of tourists towards its new products such as birdwatching, culture, walking and trails, as mentioned by most of the respondents interviewed. The weakness of this image and brand lies in the fact that Rwanda is struggling to marry its “image” and “brand” with the quality of service-delivery across the spectrum, whether from customer service, communication, or professionalism.

From government reports to interviews done for this research and the feedback from respondents, it has been confirmed that Rwanda now needs to work on its customer-service delivery in order to keep the promise of its brand and image; it is by doing so that the country will be able to meet the demands of the new market looking for value associated with destination and consumer satisfaction.

Rwanda has, to its advantage, a strong brand of sustainability that is environmentally driven, safe and secure, and trustworthy, words that, according to Nibigira (2014), will resonate with many consumers that Rwanda would like to attract as potential customers; therefore, it is necessary for products, service, and quality to mirror those points while simultaneously improving in areas where scores have been predominantly low (i.e., customer service and product diversity).

How Rwanda sends its image and brand across the world may be important. Several other destinations have demonstrated such image and brand. The cases cited are New Zealand, India, Thailand, Malaysia, Mauritius, and Cape Verde, all of which have resources similar to Rwanda’s, and also have rich, natural, and unique resources that they have worked with to develop long-lasting images and brands, specifically based on nature and environment (WEF report, 2011). Bearing in mind these potential competitors, the mountain gorilla image and brand does not capture all the other outstanding
assets the country has, and which could work in its favor if promoted, marketed, and used to compete.

The general overview of the respondents and the different reports reviewed above indicate that Rwanda has developed strategic objectives, policies, and incentives aimed at tourism promotion, improvement of tourist sites, entrepreneurship capabilities, and quality in the tourism offer, as well as relevant regulations and institutions for the sector, in a bid to increase revenue generated from tourism. As shown above, the country still faces major challenges in generating these increased revenues so necessary for Rwanda's future. On the demand side, there is hope for improving leisure markets for tourists from Europe, America, and emerging markets, such as the BRICS countries, which have shown strong impetus for leisure tourism as a result of their improved economies. To achieve this, further marketing steps and efforts at diversification, as well as development of Rwanda's tourism offer, are needed. On the offering side, improvements are needed with respect to the quantity and quality of Rwanda's tourism products, and linkages within the sector and with other value chains with other sectors. Addressing current shortcomings requires that Rwanda deal with challenges related to upgrading skills of key players in the tourism sector, SME development, and tourism entrepreneurship, along with investment and access to financing, embracing online technology in its marketing strategies, and enhancing data collection for statistics to guide policy-makers and investors, while strengthening and expanding institutions dealing with tourism sector development. In addition, developing regional synergies, networking, and collaboration could contribute to a gain in innovation and knowledge spillover, and to raising the tourism sector to another level, thus contributing to increased income generation and subsequent economic growth for Rwanda. In this way, the country could harvest the efforts of improved and appropriate policies aimed at enhancing tourism entrepreneurship.
Summary of the findings, conclusions, and recommendations

6.1 Introduction

This chapter summarizes answers from the research questions and interviews. It draws some conclusions, and makes recommendations, based on the main findings of the study. It indicates the contribution of the study to the field of knowledge, and makes recommendations for future research and policymaking in the field of entrepreneurship and tourism. This thesis is an empirical investigation of the phenomena of entrepreneurialism in tourism and economic growth in Rwanda, and of the challenges of policy formulation that could be put in place to harness entrepreneurship in tourism in the context of Rwanda. This encapsulates reasoning from various theoretical perspectives on the influence of tourism entrepreneurship on economic growth. The central research question underpinning this thesis was: What are the factors that affect entrepreneurialism in tourism in Rwanda, and which policy measures and practical considerations could entrepreneurs and policy-makers put in place to boost entrepreneurship in tourism and propel subsequent economic growth?

The sub-questions that guided this research were the following:

1. What is the current state of entrepreneurial opportunities in tourism in Rwanda and to what extent are those opportunities exploited by entrepreneurs as a strategy for economic growth?

2. What are the factors affecting tourism entrepreneurship development in Rwanda, and to what is the extent of the influence of policy-makers and entrepreneurs in stimulating tourism entrepreneurship and subsequent economic growth?

3. What are the entrepreneurial skills and competencies that Rwandan tourism entrepreneurs need to drive and improve income generation and subsequent economic growth?
4 What are the important policy measures and practical considerations entrepreneurs and policy-makers could put in place in order to increase the number and quality of entrepreneurs that could contribute to the advancement of tourism development and economic growth?

The main research objective was to find out the factors that affect tourism entrepreneurship development in Rwanda, as well as the policy measures and practical considerations that entrepreneurs and policy-makers could put in place to boost tourism entrepreneurship, as an add-on strategy for economic growth in Rwanda. To address the research questions and to achieve the research objectives, a literature review of potential theories underpinning entrepreneurialism in tourism and economic growth was conducted, and relevant directions towards identifying factors affecting tourism entrepreneurship in Rwanda, as well as policy measures that could intervene to boost tourism entrepreneurship as a mechanism for economic growth, were reviewed and consolidated in chapters two and three. Merging the review streams in chapter four, a set of questionnaires paved the way to a semi-structured interview that led to a qualitative methodological approach used in this thesis for gaining insight into the phenomenon of entrepreneurialism in tourism and relevant contextual factors, and the extent to which policies in tourism entrepreneurship could be formulated and/or shaped to boost economic growth in Rwanda. The data was analyzed and the findings were discussed in chapter five. This chapter six will now summarize the findings per the research objectives in order to address the theories on entrepreneurialism in tourism, the policy implications that could be put in place to harness economic growth, and, finally, the contribution of this research to the body of knowledge. The chapter concludes with a discussion on the limitations of the study and future research directions.

6.2 Summary of the findings

The research sought to explore the potential of entrepreneurialism in tourism in Rwanda, as well as the role of entrepreneurs and policy-makers in tourism in boosting economic growth of the country. It examined the potential of three tourism development management areas representing the rest of the tourism sector in Rwanda in a bid to assess how tourism is used as a mechanism for income generation, and how it is a vital component of economic growth and development of the country.

The opening chapter introduced the idea of tourism as a growing sector worldwide, in general, and particularly so in Rwanda, which can be used as
an avenue for economic growth and a boost for entrepreneurs by orientating the reader to the research process as a whole. With sustained growth over a decade of tourist arrivals in Rwanda (see table 2), the researcher identified tourism entrepreneurship as an area for policy support, and as a possible strategy for Rwanda to increase the quality and numbers of entrepreneurs, and, in so doing, increase income generation and propel economic growth. However, the researcher assumes that this could happen if there is a change of factors underpinning tourism development in Rwanda such as shortage of skills and appropriate policies that can be harnessed with the aim to increase tourism performance within the context of Rwanda. The study presented a theoretical context that informed the research, and led to the research questions as well as related research objectives as the basis for investigation. The first chapter ended by describing the historical context of the study areas in relation to the tourism entrepreneurial opportunities, with which they are endowed and which are considered as being instigators for tourism development and the subsequent economic growth of Rwanda. It outlined the economic development model based on the belief in self-reliance and advocacy of the country by seeking private investments through building personalized relationships with powerful businesses people around the world, therefore bypassing the traditional economic model built on development agencies.

Chapter two focused on the historical development of tourism and provided a global overview of tourism worldwide, then in Africa, and then narrowing it down to Rwanda by outlining available tourism opportunities in Rwanda and their role as a catalyst for economic growth. Chapter three, as an extension of chapter two, reviewed a broad range of the literature from different scholars ranging from classical authors such as Schumpeter (1934) to modern authors such as Audretsch and Thurik (2004; Carree & Thurik, 2005; Audretsch, 2010), who found that entrepreneurship is of crucial importance for future prosperity. As posited by Acs and Audretsch (2006), entrepreneurship generates growth because it serves as a vehicle for innovation and change, and therefore as a conduit for economic growth by creating diversity and developing channels for knowledge spillovers across firms. Using entrepreneurship frameworks adapted from Wennekers (1999) and the GEM Report 12, further explanations were provided concerning the influence of entrepreneurship on economic growth and how this could increase if factors are addressed that adversely affect tourism development, and appropriate policies adopted for shaping entrepreneurs and macroeconomic conditions. The increasing importance of entrepreneurship on economic growth is best expressed in the words of Michael Porter: “Invention and entrepreneurship are at the heart of national advantage (Porter 1990: 125)."
Chapter four was devoted to the research methodology and examined the manner in which the data were constructed, analyzed, and interpreted. It gave a detailed account of the research process by focusing on the research design, instrumentation, and administration of the research questionnaire and semi-structured interview to relevant key informants in the tourism sector in Rwanda, as well as data collection, analysis, and interpretation of the findings through a qualitative research approach and methodology.

Chapter five presented and analyzed the results, and discussed the findings that were obtained from the two questionnaires used (one for entrepreneurs and another for policy-makers), which paved the way for semi-structured interviews with key informant members of the Rwandan Chamber of Tourism. Theoretical perspectives from chapters two and three were used for interpretation of the results and discussion of the findings. This study shows that Rwanda is endowed with potential entrepreneurial opportunities in tourism, which can be tapped by entrepreneurs to sustain tourism performance and subsequent economic growth; however, it was the opinion of the respondents, and the entrepreneurs and policy-makers interviewed, that appropriate policies and skills development are the central issues that need to be addressed to achieve that purpose. The study also shows that policy-makers and entrepreneurs believed that better tourism performance could be achieved if entrepreneurial skills development and appropriate entrepreneurship policy could be put in place through a coordinated and more holistic dialogue approach between key players in the tourism sector in order to harness product diversification and quality service-delivery, especially in the remote development management areas used as cases in this research.

6.3 Conclusions

In relation to the literature review, research objectives, and associated research questions, the following presents the conclusions drawn from this study. The literature review showed that entrepreneurs are agents of change and that research around the globe consistently links tourism with rapid job creation, GDP growth, and long-term productivity increases. It was acknowledged from the respondents and interviews that, without the influence of entrepreneurs, tourism would not evolve well, even in areas endowed with tourism resources. Therefore, the importance of individual entrepreneurs, their attitudes, skills, and purposive activities were found to be instigators of economic growth. This indicates that policies for boosting entrepreneurial capacity may not solely focus on macroeconomic conditions but rather, to a large extent, on the entrepreneurial qualities and skills of the individu-
al entrepreneur. In other words, the extent of resources and tourism entrepreneurial opportunities is not sufficient; it is the purposeful action of the entrepreneur that is what triggers tourism to develop and that holds such tremendous economic promise. Therefore, a key policy in supporting entrepreneurship is paramount and considered as an important ingredient that can change the current state of tourism and further generate greater added-value to tourism performance and economic growth.

In relation to the first objective, tourism is an influencing factor for economic growth. The study showed that tourism in Rwanda still holds many entrepreneurial opportunities not yet adequately exploited, especially in the construction of hotels in Kigali Hub and other major cities, the establishment and promotion of zoological and botanical garden in Kigali, the development of boating and water sports on Lake Kivu, the development of tourism sites around Lake Burera and Ruhondo in the Musanze district, as well as tourism activities around hot springs in the Rubavu-Nyamyumba sector. The Rwandan government needs to put in place several strategic policies and incentives that can attract more investors to the above-mentioned areas with these shortcomings, in line with its economic development model that still holds economic promise. The key message is that the government’s commitment has to continue by means of policy reforms in order to attract and sustain local and international entrepreneurs in investing in the number one foreign income earner, which is the tourism sector.

According to findings from empirical data, if the above suggestions are addressed, this could provide additional opportunities to entrepreneurs in tourism.

The second objective was to assess the factors affecting entrepreneurialism in tourism in Rwanda, and the role of both policy-makers and entrepreneurs in that interplay. It was found that, for Rwanda to harness the potential of its tourism sector, regulations and policies need to better target existing factors underpinning the effective productivity of tourism, including issues of accessibility, lack of coordinated effort and partnership on the part of the key players in the tourism sector (entrepreneurs and policy-makers), quality of service-delivery due to poor cross-functional skills and competencies, limited entrepreneurship and innovation skills among tourism’s key players, affordability, and competition. This prevailing situation adversely affects quality service-delivery and the product diversification offered in Rwanda in general, and particularly in the remote development management areas. It was noted that the tourism sector in Rwanda operates with a workforce, which at all levels has been exposed to very limited training and education for their jobs, from the owners of business and top managers to the bottom-level workers,
while at the same time Rwanda is operating in a very competitive East African region and pledges to be a high-end destination.

A number of areas require the attention of both policy-makers and entrepreneurs in order to boost the contribution of the tourism services sector to the national economy. To this end, the following suggestions were made by the respondents:

- Strengthen both the public and private sector in terms of developing entertainment alternatives and linkages with recreational, cultural, and sporting services as a mean for longer stay of tourist.
- Strengthen partnerships with local services operators for awareness-raising campaigns.
- Strengthen the institutional and regulatory framework related to tourism education and capacity building.
- Develop a framework to monitor and continuously improve quality in service-delivery.
- Improve entrepreneurship skills and innovation particularly for small and medium-sized enterprises (SMEs), mainly in the development management areas studied.
- Develop legislation on entrepreneurship, particularly in the tourism industry and its related professions on issues touching accreditation, certification, and licensing, etc.

Despite its violent past, the international perception of the country is shifting from the turmoil of the 1994 Genocide, and, as of 2010, Rwanda is now considered one of the safest destinations in Africa. In addition, different reports such as UNCTAD (2013); WEF (2011) state that much of Rwanda’s success in boosting output has been facilitated by a progressive policy of reforms in its quest to become a high-demand tourism destination. This has been translated into improved macroeconomic conditions and a relatively developed infrastructure, which have been push-factors in the goal of Rwanda to become an attractive tourism destination. However, the IMF Report of 2011 emphasized that the GoR needed to continuously reduce various bottlenecks related to pricing and value for money. Furthermore, the UNCTAD Report (2013) noted that the tourism industry in Rwanda was characterized by different sizes of hotels, tour operating companies, travel agents, restaurants, cafes, airlines (national and international), and by a variety of customers seeking to be satisfied in terms of needs and expectations. In view of this, Rwanda needs many different skills, while the job market currently employs a relatively large number of semi-skilled and unskilled staff. A majority of this staff is relatively low paid and works long hours as part-time, casual, student, and migrant laborers, coupled with a high turnover. The development of new skills in re-
6.3 Conclusions

The traditional way of understanding hard skills is that they are technical, with accreditation and qualification only through formal education, while training and entrepreneurship may not be seen as one of the strategies for solving this problem. Moving from a more generic educational and training approach, to technical and vocationally specific skills training, alongside languages, communication, interpersonal, organizational, and business skills, in addition to lifelong skills, was found by a slight majority of respondents as a long-lasting solution in the case of the tourism sector in Rwanda. The message here is the need to shape the technical quality of service-delivery, and to improve the attractiveness and readiness of the manpower needed in tourism. This appears to me to translate into an emerging and imperative need for hospitality training institutions, along with a developmental agenda for the tourism sector as a whole. This might include the development of support programs to train the trainers, designing incentives to promote skills upgrading and training in SMEs and the private sector, and promoting information- and experience-sharing in policy making and business practices (for instance, through study tours in the region).

The third research objective was verified in relation to the skills and competencies that Rwandan entrepreneurs need in the tourism sector in order to pursue and improve income generation, and propel subsequent economic growth. This objective relates to what Rwanda is trying to be as a tourism destination. In its diversification process and search to be a competitive tourism destination, moving from an almost mono mountain gorilla product to broad-based eco-tourism products and quality service-delivery, with increased entertainment activities, will determine the new skills and entrepreneurial innovation skills required by individual key players in the tourism sector so as to meet the standards and the requirements of the job market. This is in line with what is stated by Fernandes and colleagues (2011) and UNWTO (2013) that knowledge is increasingly perceived as a central factor for industry competitiveness. In chapter three, the GEM model highlighted the mechanism driving economic growth, which is the role of entrepreneurship in the creation and growth of firms. It was pointed out that the entrepreneurial process occurs in the context of a set of framework conditions and depends on (a) the emergence and presence of market opportunities, and (b) the capacity, motivation, and skills of individuals to establish firms in pursuit of those opportunities. Opening doors to learning appropriate skills also relates to a newly evolving and more demanding profile of tourist. The key message, in line with this objective, is that scientific and interpretation
knowledge, with good communication skills, creativity, and innovation skills, customer service, good understanding of biodiversity, the environment, and the needs of the tourist experience may open doors to the future, both for workers and owners of businesses as a whole. In addition, it has been found that use of technology is a key ingredient in this process and is at the core of any learning setting. This also entails the good will of all the participants – students, teachers, entrepreneurs, as well as government – to establish appropriate policies. New skills require technical know-how in marketing via the use of new technologies, interpreting data, and monitoring, as well as product development. For instance, managing an eco-tourism product around the three parks in Rwanda goes beyond guiding, rangers, and local communities; it extends as far as the policy level, coordination, and dialogue between key players, concessions, and the management of protected areas and parks. As stressed by a majority of respondents, Rwanda as an evolving destination that requires a set of new skills, technicians, and information systems, people with managerial and entrepreneurial skills, able to run the process of product diversification and development as well as high-quality service-delivery. Tourism, as a non one-dimensional subject, requires a variety of skills for its diversification and competitiveness as well as a wider range of innovations along the way – in terms of training and capacity building – being driven by adaptability and sustainability in order to avoid bottlenecks that can adversely affect tourism development. The entertainment segment on its own has been seen as non-existent or unresponsive to the needs of tourists who Rwanda is marketing to. As a matter of illustrative example, the Genocide Memorial Center does not appeal to every tourist, and the cultural experience still lacks that cutting-edge and falls seriously short on expertise to interpret and convey the message in a manner that is understood by every visitor. So, there is a need for appropriate skills by professional guides in translating that specific message. In line with the shortage of skills, it was found that Rwanda urgently needs professional guides, managers, and planners, both in terms of public and private sector facilitators in heritage, culture, and entertainment for this new segment of the fast-growing tourism industry. The skills needed in the tourism sector in Rwanda have to come from a more focused and holistic approach. From technical colleges (TVET) to university institutions, both the private and public sector need to understand that tackling the issue of skills in Rwanda is not an exercise that can be done in isolation; therefore, encouraging the renewal of dialogue through public-private partnership may be a long-lasting solution for financing tourism development and its related dynamics in Rwanda, with the aim of elevating the tourism sector to a higher level.
The fourth objective of the study was related to ascertaining important policy measure interventions that could be put in place to increase the number and quality of entrepreneurs for the advancement of tourism development and subsequent economic growth in Rwanda. It emerged from different reports (UNCTAD, 2013; WEF, 2011; World Bank, 2012) that Rwanda has developed policies and incentives aimed at tourism promotion, improvement of tourist sites, entrepreneurship capabilities, and quality in the tourism offer, and also relevant regulations and institutions for the sector. On this basis, Rwanda has shown some strength in macroeconomic management vis-à-vis structural reforms that have brought it to among the top three reforming economies in Africa in the World Bank’s “Ease of Doing Business Survey” since 2011. Through these means, the country has increased investment and revenue levels in the tourism sector and tourist arrivals. However, Rwanda still faces policy challenges to generate the increased revenues required in the sector. On the demand side, it was found that there is scope for improving leisure markets for extending the length of stay of visitors, undertaking further marketing efforts, improving skills and competencies of key stakeholders, increasing investment incentives and access to financing mainly for local entrepreneurs, as well as diversifying and developing the tourism offer. On the offering side, improvements are sought with respect to the quantity and quality of Rwanda's tourism products, and linkages within the sector and with other sectors.

The study also found that the general regulatory environment in Rwanda is structured toward large companies believed to have the time and resources to comply (SMEs Policy, 2010: 10). This makes the existing structures a challenge for growing SMEs, especially in the hospitality area. Given the importance of tourism SMEs for destination competitiveness and their economic development potential (OECD report, 2009), and the make-up of the tourism industry in Rwanda, which falls into medium- and small-sized companies, Rwanda could lose if the tourism SMEs sector is not strengthened. The re-establishment of dialogue with entrepreneurs and other key stakeholders can add value to the development of ad hoc specific policies that can cater for their specific needs. This could entail, for instance, investing in small and medium-sized companies at destinations, and in skills development of entrepreneurs and manpower, areas found in the study to offer tourism opportunities. Continued cooperation from policy-makers and the private sector, involving policymaking and implementation of policies related to tourism development is important in this regard. It is therefore paramount to develop the capabilities of SME operators so as to improve their contribution to innovation and creativity, as well as their business performance and quality of services delivery. This can provide SME entrepreneurs and their workers
with more knowledge and practical skills about supervisory and managerial practices, and about the sector dynamics driven by technology and the fragmented tastes of consumer demands. From interviewees, it was reported that a decade ago several investors – without understanding how the tourism business works – responded to the government by investing mainly in hotels and properties, and in tourism development in Rwanda. The sector was growing fast and changing rapidly. However, what was not occurring was the development of skills and knowledge of those who were investing and managing the key segments of the tourism sector, mainly the hospitality business. On this basis, it appears that professionalizing the tourism industry should follow the statement from one of the entrepreneurs interviewed:

Rwanda needs to approach the skills shortage by pushing training for all, top to bottom, in all DMAs presenting potential for growth, at all level of skill for all occupations, without any exception, as we realized we are not where we need to be and we are still navigating through a new system and changing world, where we have no clue or needed skills to make us professional and competitive (IT4: 316).

Thus, the relationship between “supply” and “demand” could be improved through education and training, and professional development for the enrichment of tourism in Rwanda. The interviews show that the tourism sector could further develop and bear fruit if human capital was first and foremost taken into utmost consideration. From both conceptual models used in chapter three to explain the importance of the individual entrepreneur in economic growth, there was an indication that attitudes, skills, and the activities of individual entrepreneurs are, to a large extent, the foundation of firm creation and development. In essence, policies for boosting entrepreneurial capacity should not focus solely on improving macroeconomic conditions so as to promote entrepreneurship, but rather, to a larger extent, on improving the entrepreneurial qualities of entrepreneurs. Although policies are important for broadening the base of individuals with incentives to start up a business and with access to the necessary means, these policies alone cannot suffice (Audrestch et al., 2006). Individuals are widely recognized as the primary agents of entrepreneurial activity and the single most important player in a modern economy (Lazear, 2004). Since the origin of any innovation, a start-up or entrepreneurial decision, is traceable to a single person, one approach to increasing the quality and number of entrepreneurs would be to strengthen the entrepreneurial traits of individuals. This central role of an individual entrepreneur in fostering entrepreneurship is of capital importance in economic growth. As a policy orientation, maximizing collaboration, dia-
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Dialogue, and networks among SME players and the public sector, through what is termed a “public-private partnership,” could trigger economies of scale and knowledge spillovers for building a strong and competitive tourism industry that is well integrated in regional and international markets. To this end, the key message is that strengthening the capacity of individual entrepreneurs and tourism SMEs, especially in terms of forming associations and organizing national, regional, and international networks and clusters, could be a way of achieving this objective. This could be done by increasing the interest on the part of hotel chains, restaurants, and tour operators in investing more in local sourcing by enhancing business linkages through matchmaking, developing partnerships with larger firms (particularly hotels and airlines), in accordance with Rwanda’s policy of attracting big hotel groups and airlines, which could then be a catalyst for change in this development via experience and knowledge-sharing. Products and services currently sourced from abroad by the tourism industry that local providers could potentially supply could be identified and organized to play this role. In parallel, an analysis of the local value chain could identify key productive activities related to the tourism sector (such as accommodation, food and beverages, souvenirs, transportation and excursions, agro-food, creative industries) to match offer and demand. SMEs could also undertake cooperative actions for marketing purposes. Raising awareness about SME services providers, tourism operators, and about the best use of existing opportunities in tourism to generate economies of scale arising from regional integration and matchmaking could constitute a good objective in this direction.

Important policy measures could intervene in the areas of investment attraction and access to financing, especially in development management areas, since this remains a challenge for Rwanda in terms of further developing the sector and increasing involvement of the private sector. The study shows that existing investment levels are insufficient to sustain capacity building and skills development, and product development and diversification efforts in accordance with Rwanda’s needs for the tourism sector, such as leisure tourism, with the aim of improving the quantity and quality of tourism facilities, and strengthening linkages with recreational and entertainment activities, cultural and sporting services, and the development of a friendly business environment. The increase in investment could be channeled to the areas of accommodation establishments, tourism and hospitality training institutions, boats and water sports facilities, zoological and botanical gardens, and the creation of theme parks, and especially road infrastructure linking main city centers with main parks and recreational areas.
Rwanda needs a more conducive environment for targeted investment that can address the emerging needs for sector development. This study has identified a lack of legislation to regulate and protect the industry and govern tourism professions, which could compromise future growth and high-quality standards in the sector. The study emphasized the need to strengthen institutional frameworks with respect to the capabilities of key players in the tourism sector in a bid to help policy-makers make informed decisions and entrepreneurs to deliver quality service in line with different tastes of the tourist visitors.

Regarding the future of tourism entrepreneurship in Rwanda, the analysis of different reports and the views of respondents showed that gradually the government is finding its way along the path from small business policy to entrepreneurship enhancement, which plays such an important role in advancing tourism business. This is not just about entrepreneurs creating jobs, because, at the end of the day, it is not just about business; it is about people having the freedom to express their creativity, to imprint their style on the work they do, to turn their knowledge, skills, and abilities into their own businesses, to create flexibility around their living conditions and personal interests, and to make employment choices over which they have more control.

As the government realizes the significant implications of the tourism business, and the role of an entrepreneur in this interplay, and the dynamism of the small-business sector for innovation and growth, it may be hard for it to ignore the need for policy enhancement of entrepreneurship support in all the areas outlined above. This could come about through the influence of a steady stream of new tourism businesses and potential entrepreneurs, because, as stated by Wennekers and Thurik (2001: 38), “small firms and new firm start-ups may not be necessary for regional growth in the short run, but perhaps they are the seeds of future growth and are of central importance for long run economic development.”

Understanding more clearly where entrepreneurship policies are situated in relationship to tourism business could be helpful to the GoR, as it seeks a move to a knowledge-based economy (Vision 2020:2 ). The rhetoric of policy think-tankers, economic development organizations, and governments all over the world is all about the need to develop economics-based knowledge. This interest is being driven by the highly dynamic and constantly changing business environment at all levels. Globalization, technological developments, and social media are contributing to this shift. All these factors predict an increased role for entrepreneurship. As indicated previously, a growing body of research has linked higher levels of entrepreneurial activity to economic growth, which demonstrates the contribution of new
firm entry, not only in job creation but also in innovation, factor productivity growth, and economic renewal (Acs, Carlsson, & Carlsson, 1999; Audretsch & Thurik, 2001a, 2001b; Reynolds et al., 1999, 2000; Wennekers & Thurik, 1999, OECD, 1995, 2001; Lundström & Stevenson, 2001). In light of what has preceded, maintaining high growth rates in an economy requires a constant and increasing number and quality of new entrepreneurs. The question now is, what policies and measures can be put in place to create and support the emergence of these new entrepreneurs? As shown in figure 17, the answer to this question may be in shifting the emphasis away from firm performance to individuals and their entrepreneurial propensities and skills on issues of motivation, capacity, and choice. Taking into consideration the trends in the tourism sector and the need for Rwanda to concentrate on what the market needs and not what Rwanda can offer, it is my assumption that there is a need for a shift from the SME policy in place since 2010 to entrepreneurship policy in order to increase current growth rates in the tourism sector. To achieve this and owing to the literature reviewed in chapters 2 and 3, entrepreneurship policy seems to be an essential ingredient for increasing growth rates in the tourism sector.

The extent, to which the Government of Rwanda will take to “entrepreneurship,” and more especially in tourism policies, depends on the extent to which entrepreneurship is rooted in the context of Rwanda. Thus, in line with the SME policy (2010: 1), the GoR considers entrepreneurship as a source of wealth creation, economic growth, and a means of prosperity through increased GDP growth and off-farm growth. Regardless of the Rwandan context and level of entrepreneurship development, my point is that the government needs to incorporate entrepreneurship policy formulation and measures in order to cater for the changing and competitive business environment. This is very crucial, especially in the tourism business, which requires more skills and competencies among key players for innovation and diversification of the product offered, and creation of that unique experience that the tourist visitor is looking for, when deciding to visit a destination. Entrepreneurship policy requires action in each of the foundation areas of “Motivation, Skills, and Opportunity,” and at each stage of the entrepreneurial process. An emphasis on SME policy, which seeks to remove obstacles to entrepreneurial activities, may not be sufficient to stimulate higher levels of entrepreneurial activity in tourism if entrepreneurship is not already sufficiently embedded in daily practices. Government policies could embrace the notion that the opportunity to be aware of entrepreneurship as an option and the opportunity to learn about the entrepreneurial process are as legitimate and important as the opportunity to access economic resources and markets, which is where government action is primarily focused at present.
The implementation of entrepreneurship policy may require not only a shift in thinking but also new forms of institutional structures and relationships, more partnerships and cooperative actions between multiple ministries and with educational institutions, community-based organizations, business associations, the media, the financial community, and the private sector. Everyone has a role to play. Of course, the presence of entrepreneurship champions cannot be overstated. These might be located in universities, schools, local economic development offices, business associations, or government offices, since they are essential ingredients for advancing and fostering the entrepreneurship agenda in tourism, in particular, but also in other sectors of economy in general.

6.4 Implication for theory

Currently, much of what is known about entrepreneurship in tourism vis-à-vis economic growth, management of firms, and business innovations is based on research conducted in Eurocentric economies. Substantially less is known about entrepreneurship and management in developing economies, mostly on the African continent, and, in particular, in Rwanda, in terms of the extent to which existing conceptual entrepreneurship frameworks are applicable in the context of Rwanda. As a result, there is a lack of a solid knowledge base to guide effective interventions of policy-makers aimed at spurring entrepreneurship and innovation in developing economies. In an effort to build this knowledge base, this research has contributed to the advancement of general knowledge through this study on entrepreneurialism in tourism in Rwanda and economic growth, and has examined challenges faced by entrepreneurs and policy-makers in shaping tourism entrepreneurship in Rwanda.

The views on growth and economic growth are clearly elaborated by the following interview transcript extract:

There is no entrepreneur in this world who started a business and does not think about expanding his business. If you do not think in this way something is wrong with you, you are not a true entrepreneur (IT3: 312).

The entrepreneurs in tourism in Rwanda that were interviewed measure business success in terms of growth criteria and therefore put measures in place to facilitate growth opportunities. Therefore, it is not surprising that a good number of the respondents (46%) expect higher business profit and sustained growth. This further strengthens the pursuit of business motivation and opportunity-seeking, as expressed by 26% of the respondents.
among Rwandan tourism entrepreneurs. This finding contradicts the literature indicating that lifestyle entrepreneurship can exist collaboratively with economic motives (Morrison et al., 2009: 10). However, this concept originates from Eurocentric discourse, and the phenomena may differ in different regions and contexts. It can be argued that this finding on the phenomena of economic motives that Rwandan entrepreneurs pursue needs to be deepened by new research that focuses on understanding the interplay of the regional context, in general, and, in particular, the Rwandan context and socioeconomic processes in the tourism business. Thus, theories aimed at improving macroeconomic conditions and the entrepreneurial qualities of entrepreneurs are found to be important in the case of Rwanda, when it comes to fostering tourism entrepreneurship and economic growth. A theory orientation would look at maximizing collaboration, dialogue, and networks among SME players through “public-private partnership,” believed to trigger economies of scale and knowledge spillovers in terms of harnessing the individual role of entrepreneurs in a competitive tourism industry in Rwanda.

6.5 Recommendations

Rwanda has developed strategic objectives, policies, and incentives aimed at tourism promotion, improvement of tourist sites, entrepreneurship capabilities, and quality in the tourism offering, and also relevant regulations and institutions for the sector. Through these means, Rwanda has increased investment and revenue levels in the tourism sector and tourist arrivals. However, it still faces some policy challenges, formulations that underlie Rwanda’s tourism sector, so as to generate increased revenues. On the demand side, leisure markets and length of stay of visitors constitute a hindrance for further tourism development. On the offering side, improvements are required with respect to the quantity and quality of key players in the tourism sector in relation to the skills and competencies required to elevate this tourism to a higher level. In addition, Rwanda’s tourism products need to be more diversified, and linked within the sector and with other sectors of tourism value chains. This thesis discussed more broadly how entrepreneurship in tourism can contribute to economic growth and development for Rwanda, especially given the enabling role of tourism and its capacity to link with other economic sectors. In this endeavor, addressing the above-mentioned shortcomings requires putting in place appropriate policies and practical considerations to better leverage the challenges raised related to the upgrading of skills, entrepreneurship and SME development, investment and access to financing, marketing, and the institutional framework dealing with tourism develop-
ment, employment, and growth benefits. This study has identified, in some instances, the potential and current underutilization by Rwanda of the regional framework; developing policies aiming at strengthening regional synergies and collaboration could contribute to addressing the above-mentioned challenges. Another area that requires policy implication is related to targeted incentives to ensure growth in the service sectors, in necessary support infrastructure to ensure that the service industry in Rwanda is competitive, particularly when compared with others in the East African region. Based on what precedes and in relation to research objectives, the following recommendations were drawn from the research and are addressed to policy-makers and entrepreneurs for greater policy formulation in order to harness entrepreneurialism in tourism vis-à-vis economic growth and to address the above-mentioned policy disconnects.

1 Increased role for entrepreneurship: a policy intervention for future SME development.

The rhetoric of policy think-tankers, economic development organizations, and governments all over the world are all about the need to develop economics-based knowledge. This interest is being driven by highly dynamic and constantly changing business environment at the individual level, and micro and macro levels. Globalization, technological developments, and social media are contributing to this shift. All these factors predict an increased role for entrepreneurship and SME development. As shown earlier, a growing body of research has linked higher levels of entrepreneurial activity to economic growth, which demonstrate the contribution of new firm entry, not only for job creation but also for innovation, factor productivity growth, and economic renewal. In addition, in OECD countries, a shift towards “smallness” and higher levels of self-employment, over the longer term, has shown positive results in growth acceleration and reduced unemployment in an economy. In line with this, the GEM 2014 Global Report indicates that high levels of entrepreneurial optimism, ambition, and innovation are vital to advancing economies. This has an important implication for governments, in particular the Government of Rwanda; in order to maintain sustained growth rates in the economy, there is not only a constant need for an increased number and quality of new entrepreneurs but also the emergence of an entrepreneurship policy effective at promoting entrepreneurship for effective economic growth. The central question is what policies and practical measures can be put in place to create and support the emergence of these new entrepreneurs. The answer to this issue relies in the shift of emphasis away from firm performance to individuals, and their entrepreneurial propensities and skills, on issues of motivation, capacity, and choice. Taking into
considerations the trends in the tourism sector and the need for Rwanda to concentrate on what the market needs and not what Rwanda can offer, I recommend a shift from the SME policy in place since 2010 to an entrepreneurship policy in order to increase current growth rates in the tourism sector. This implies that the government and entrepreneurs reorient the 2010 SME policy towards:

1. Individuals and associated behaviors and less towards SMEs as firm entities;
2. Measures to develop the supply of competent entrepreneurs and less towards “picking and rewarding winners” among existing firms;
3. Measures to support the early phases of the entrepreneurial development process, including the nascent as well as the start-up phase; and
4. Development of entrepreneurial behavior, while maintaining a focus on improving a more favorable business macroeconomic environment.

To this end, “Motivation, Skills, and Opportunity” might be the basis for entrepreneurship policy and a key driver for the creation of the more knowledge-based economy that the country is aiming to achieve (Vision 2020; EDPRS2, 2013-2018).

The entrepreneurship policy could aim at stimulating entrepreneurship in general, but particularly in the tourism sector, which has been recognized as a critical source of income and employment in many African economies and particularly in Rwanda in recent years:

- At pre-start, start-up, and post-start-up phases of entrepreneurship process;
- At addressing the areas of motivation, skills, and opportunity; and
- At encouraging more people to consider entrepreneurship, to move into the nascent stage, and proceed into an early stage of start-up.

This entrepreneurship policy would emphasize the creation of the right environment and circumstances to motivate and stimulate individuals to become entrepreneurs, and enable them to acquire the appropriate skills and to surround themselves with opportunities, such as access to start-up resources and supports that are critical for start-up business today in Rwanda. If all the three elements of “Motivation, Skills, and Opportunity” are applied and integrated into entrepreneurship policy, it is my profound conviction that it can generate an increase in quantity and quality of new firm formation and a stream of entrepreneurs entering business in general, and the tourism business in particular, with entrepreneurship at the base as a distinct policy area.
2 Improving quality in the delivery of tourism services

There is an urgent need for a national qualifications framework for the tourism sector in order to correlate skills required in the sector with the means to develop qualifications in the educational system, and through non-formal and informal means of learning. This framework could serve as a strategic tool for guiding the overall modernization of the educational and training system vis-à-vis improved quality of service in the tourism sector. Doing this will require reviewing the key elements in the country’s educational and training system, and matching them with the labor market, and could entail developing competence-based curricula for specific areas within the tourism sector for workers (both in the public and private sectors) meeting with customers face-to-face. In view of the fact that many tourism workers come from other countries in the region, and in consideration of the current skills gap identified by different research and reports in Rwanda not only among entrepreneurs but also among workers in the tourism sector, there is also a need for Rwanda to explore ways, in which the regional framework could be used to achieve regional comparability of different qualifications and best practices in the tourism industry.

3 Investment attraction and access to financing

Access to financing has been identified in this research as a bottleneck for Rwanda in terms of further developing the tourism sector and increasing the involvement of the private sector. The study shows that existing investment levels are insufficient to sustain product development, competitiveness, and diversification efforts in accordance with Rwanda’s needs in the tourism sector. These goals relate mostly to the leisure tourism segment, to improving the quantity and quality of tourism facilities, and strengthening linkages with recreational, cultural, and sporting services, and, especially in the remote development management areas in the case of business tourism, to developing entertainment alternatives in main cities.

Areas requiring additional investment include: accommodation establishments, tourism and hospitality training institutions, boats and water sports facilities, establishment of zoological and botanical gardens, creation of theme parks, and infrastructure development (particularly regarding road infrastructure linking main city centers with main parks and recreational areas). It is therefore recommended to improve the targeting of incentives to attract investment to key areas of shortcoming, such as human capital, cultural, recreational and natural resources. The following measures are recommended in the case of Rwanda:

- Extending the Rwanda Exporter Development Program (REDP) to SMEs linked to tourism sector value chains (aside from hotels and restaurants).
This program provides SME exporters (or intended exporters) with strategic support, export training and education, technical assistance with respect to standards, mentoring, market development, access to financing and performance evaluation; and

- Regional synergies could also be promoted with respect to investment and access to financing. Regional joint ventures could be considered in order to jointly develop tourism facilities and key infrastructure, and to promote intraregional tourism. Joint “tourism development zones” could prove useful in areas where tourism attractions are located near the border.

4 Developing legislation that facilitates and stimulates the industry and tourism professions

Though the findings showed a steady focus on continuous reforms, the study identified a lack of legislation to regulate and protect the industry, and to govern the tourism professions, which is likely to compromise future growth and high-quality standards in the sector. It is therefore recommended to:

- Develop a licensing system for services providers;
- Develop regulations on accreditation, and certification of recognition of equivalence of academic and vocational qualifications in the tourism industry (as explained in the recommendation about the national qualifications framework); and
- Take greater advantage of regional collaboration, and ongoing regional initiatives and strategies to develop these regulatory frameworks.

6.6 Implication for further researches

There is a need for more researches on the relationship between tourism entrepreneurial activities and economic growth, and the relationships between: 1) motivation and tourism business entry; 2) tourism business entry and opportunity; and 3) tourism business entry and skills, especially in the context of Rwanda.

This thesis has argued that tourism has become a dynamic driver for economic growth in Rwanda in recent years, and that improved macroeconomic conditions and entrepreneurial qualities of entrepreneurs are key ingredients in fostering tourism entrepreneurship and economic growth. This dynamism, however, has not translated into greater revenue generation and subsequent economic growth. Service provision remains suboptimal and is delivered at high cost. Various regulatory and policy disconnects prevail, which explain the above inefficiencies and impediments. This has been outlined through
conceptualizations of entrepreneurship developed by Wennekers and Thurik (1999), and the GEM model depicted in its Report 12. The findings from empirical data, constructed from entrepreneurs and policy-makers, have shown the same inclination of tourism entrepreneurship towards economic growth. However, this thesis indicates that this influence of tourism entrepreneurship on economic growth is best felt in reference to the context of Rwanda and its tourism industry setting. The importance of this research lies in identifying this path of analysis. Although the findings confirmed that tourism entrepreneurship is inclined to economic growth and that tourism entrepreneurs in Rwanda are motivated more by business opportunity-seeking, the author does not oppose other motivational factors. Though it has been argued that the foundation of this positive relationship lies in the individual entrepreneur’s need for achievement and is derived from a Western-economies discourse, there is a danger of overlooking the existence of different worldviews and truths.

Thus, this thesis promotes the recognition of the importance of the contextual setting and embedding of entrepreneurialism in tourism so that future researchers may explore this matter through positivist research methodology. This could be explored also in disciplines other than tourism entrepreneurship in order to avoid the impediment of bias, for the sake of tourism entrepreneurship development. Furthermore, this study also points to the necessary recognition of sectorial and geographical differences, when researching tourism entrepreneurship. Thus, this study proposes new directions in tourism entrepreneurship research by following Ateljevic and Doorne’s (2003), and Morrison’s (2006) advocacy to go beyond policy and economic grounds, and welcome other social structures, cultural contexts, and regions. Justification is embedded in the belief that further research may enhance better conceptualization and understanding of entrepreneurialism in tourism, and entrepreneurs in different contexts and realities.

The development and dynamics of any society, economy, or firm requires individual actors that have the ability and motivation to incite change. As seen throughout this thesis, entrepreneurship is about change, the process of change. Institutions do not create change in the absence of individual entrepreneurs. Rather, the knowledge, skills, and motivation of individual entrepreneurs in the realm of opportunities should be supported along with the drive to take action, initiate novelty, and create added value. In this way, considerable good may be achieved.
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Appendix 1
Glossary of key concepts and terms

In order to facilitate the readers of this dissertation, the researcher deemed imperative to define some key concepts used in this research to promote inter-subjectivity of meaning (Walliman, 2005: 93). The key concepts that are used in this study are related to entrepreneurialism and tourism-related concepts, as well as different forms of tourism activities. The most common key concepts and forms of tourism and entrepreneurship are briefly defined, referenced, and embedded in the academic literature for a better understanding of the context, in which they have been used throughout the dissertation.

1 **Tourism**
According to Middleton and colleagues (2009: 5), defining tourism and travel is a primary responsibility of the UN World Tourism Organization. In consideration of this, tourism is defined as a “set of activities a person traveling to a place outside his or her usual environment for at least one night, but less than one year, and whose main purpose of travel is other than the exercise of an activity remunerated from within the place visited (UNWTO, 2001).” Similarly Richards (2005: 21) defines tourism as a temporary short-term movement of people to destinations outside the places where they normally live and work. Activities during their stay include movements for all purposes, as well as day visits and excursions. Adopting an economic and financial approach, Luvanga and Shitundu (2003:8) define tourism as an economic activity, which belongs to the invisible trade section of the balance of payment accounts. It is deemed to be an export of services to foreign countries, from which visitors originate. In a summary, one would say that tourism is a social activity associated with human travel for different objectives including business, leisure, pleasure, religion, education, security, and politics. This definition only considers part of the explanation, as tourists or travelers enter a range of activities before, during, and after the travel experience, hence creating an increasing number of interconnected activities in economic, social, political, policy, and educational forms.

3 **Tourist product**
According to Komppula (2001) tourist product is divided into two levels:
- The total level referring to the total tourist experience (from the time one leaves home to the time one returns), and the specific level referring to the tourism product offered by a single business.
Based on the above consideration, a tourist product can be almost anything provided that creates human curiosity as long as that “anything” is named, described, priced, and offered. Tourism product can therefore be associated with human nature, tourism destinations, and individual businesses, history, traditions, nature, cuisines, religion, and community spirit. In tourism, the product or service is more often based on the perception and curiosity of the tourist. Therefore, as highlighted by Ateljevic and Page (2009: 15), understanding human curiosity or want is an essential precondition to better understanding tourism entrepreneurship as manipulation of human curiosity for commercial purposes is at the very heart of the entrepreneurial ability.

4 Tourist
A tourist is defined as any person travelling to a place other than that of his/her usual environment for less than twelve months and whose main purpose of trip is other than the exercise of an activity remunerated from the place visited (UNWTO, 1997).

5 Entrepreneurship
Different authors have defined this concept in different ways, as there is still yet no single generally accepted definition of entrepreneurship. Many theories and authors have tried to define entrepreneurship; some have based their understanding on the personality of entrepreneurs, (McClelland, 1961), and others focused on economic growth and value creation (Schumpeter, 1934), which is the most relevant in the development of this thesis. Therefore, in this research, entrepreneurship should be understood as the possession of skills and creativity to combine resources and opportunities in a competitive environment for the benefit of an individual, family, and community in general. In line with the above, “entrepreneurship” may be viewed as the tendency to create value through identification and exploitation of opportunities. This includes starting and managing one’s own business.

6 Entrepreneur
Karandeniz (1999) defines the entrepreneur as someone who exploits the opportunities in the market based on knowledge, his alertness to these opportunities heightened by access to information, which then enables him to pursue more creative ventures or provide more innovative solutions to fill the gaps in the market. Throughout this research, an entrepreneur is understood as somebody who shows practical creativity, combining resource and opportunities to benefit the individual, the family, and the community in general.
7 Tourism entrepreneurship
Tourism entrepreneurship is defined by Koh (1996: 30), and Saayman and Saayman (1997) as activities that lead to creating and operating a legal tourism enterprise. Legal tourism enterprises refer to those businesses that operate on a profitable basis, and seek to satisfy the needs of tourists and visitors. These enterprises include, among others, hotels, guesthouses, travel agencies, and tour operators. This means that a person who sells goods or services, such as arts and crafts, to tourists are also tourism entrepreneurs, but are more often referred to as street vendors (Koh, 1996:30).

8 Tourism industry
The tourism industry is defined by (Gee et al., 1989: 4) as a mixture of public and private organizations that are actively involved in the development, production, and marketing of both products and services that may provide in the needs of tourists.
The tourism industry can therefore be divided into three categories:
- Direct suppliers – reflect those sectors which are visible to the tourist, for example, hotels, travel agents, restaurants, airlines, and retailers.
- Support services – supply support to direct suppliers, for example, tour organizers, tourism research units, tourism and trade publications, food services, and launderettes.
- Development organizations – mainly handle tourism development that is more complex than the previous two categories, and include government agents, financial institutions, real-estate developers, and educational centers (Gee et al., 1989: 5).

9 Tourism business
A new venture offering, a new tourist service and product, or an existing business offering a new or an existing tourist service and product to satisfy the needs of visitors travelling for either business or pleasure, and who spend less than 24 hours and less than a year at a destination.

10 Entrepreneurialism
Entrepreneurialism is an ideology based on the individual's need to create and/or innovate, and transform creativity and innovative desire into wealth creation and value added undertakings for the individual's benefit and common good (Kao, 1997).
Appendix 2

Questionnaires for entrepreneurs and policy-makers

Entrepreneurialism in tourism and economic growth in Rwanda: challenges for policy formulation

This questionnaire is part of PhD Research by Callixte Kabera
Will take 45 minutes of your precious time
Date: ...
Thank you for your effort/time!
Will be collected in the week of ...

2.1 Questionnaires to entrepreneurs in the tourism sector

Dear respondents,
I am Callixte KABERA, a PhD student from Vrije Universiteit-Amsterdam (The Netherlands). I am carrying out a research entitled “Entrepreneurialism in tourism and economic growth in Rwanda: challenges for policy formulation.” I am requesting you to spare around 45 minutes to complete the questionnaire below.
The study is part of my PhD project; it aims to assess the current economic growth of Rwanda in relation to its tourism industry performance, with an emphasis on the role of the government initiatives and policies in stimulating tourism entrepreneurship for the economic growth of Rwanda.
The information you provide will be treated with confidentiality and anonymity at all times. I am also happy to share my results if you just provide your e-mail address at the end of the survey. Feel free to contact me at the address below for more details or clarifications.
I will greatly appreciate if you can return it as soon as reasonably possible to the following address kabera_callixte@yahoo.com or call me on the following number (Tel 0788306692) to come and pick it once ready.
KABERA CALLIXTE,
PhD Student,
VU – University Amsterdam, the Netherlands
Kabera_callixte@yahoo.com or tel. +250 788306692 or +31684237032
Instructions to the respondents
Dear Respondents,

Fill by ticking or circling the letter corresponding to your answer for the multiple choice and closed-ended questions and write your opinions in the space provided for open-ended questions. There are no right or wrong answers and if you don’t have any answer please fill in the neutral position wherever required. Your cooperation is much appreciated. The layout of the questionnaire consists of two parts: Part I is related to multiple and closed-ended questionnaire and part II is concerned with one open-ended questionnaire. Part one has seven sections: Section A focuses on general background information of the respondent; section B is concerned with information on the current level and role of tourism entrepreneurship development in Rwanda; section C is related to entrepreneurs and contextual factors of start-ups and development of business in tourism; section D is related to development management areas and opportunities available there; section E is concerned with the government role in stimulating tourism business development; section F is dedicated to the relationship between tourism performance and economic growth while section G is related to the competences, skills and other factors that drive tourism business development in Rwanda. The questionnaire is designated to nationals and non-nationals working within the tourism sector in Rwanda.

PART I
Closed-ended questions

A  Respondent identification

1  Please indicate your gender
   □  Male
   □  Female

2  Please indicate your nationality:  

3  Please indicate your age category:
   □  20 - 29 years
   □  30 - 39 years
   □  40 - 49 years
   □  50 - 59 years
   □  60 - 65 years
4 Which term best describes your position/job/employment:
- Business Owner
- CEO
- Senior Manager
- Middle manager
- Junior staff

5 Please indicate your highest completed educational level:
- No formal education
- Primary School
- Advanced Diploma (A2)
- Diploma (A1)
- Bachelors degree (A0)
- Masters
- PhD Holder

6 Please choose the appropriate category of employee number in your organization:
- Less than 4
- 4 to 30
- 31 to 100
- 101 and above

7 How could you best describe your business or the company for which you work?
- Professional association in the tourism sector;
- Tour and travel agency;
- Airline Company;
- Hotel or motel;
- Restaurant or bar;
- Other tourism organization (specify);
- Private tour guide.

B Questions on the state of entrepreneurial opportunities in tourism in Rwanda

8 What is the current status of tourism entrepreneurial opportunities in Rwanda and why do you think this is the case?
- Excellent
- Very good
- Good
Appendix 2 – Questionnaires for entrepreneurs and policy-makers

9 How do you rate the role of tourism entrepreneurs in economic growth of Rwanda and why do you think this is the case?
- Excellent __________________________
- Very good __________________________
- Good ________________________________
- Poor ________________________________
- Very poor ____________________________
- Neutral ______________________________

C Questionnaire on your tourism business

10 As an entrepreneur in the tourism sector, what are the contextual factors that motivated you to start the business?
- Government gives favorable incentives to start a business in tourism sector
- Favorable circumstances in getting a loan from financial Institutions
- Market opportunities for new tourism product, service or technology development
- Other factors, if any __________________________

11 What are the personal reasons that pushed you to start the current business in the tourism sector?
- I was unemployed
- I needed to contribute to poverty reduction in my environment
- I needed to increase my personal income.
- I was unable to find a well-paid job.
- I was blocked for promotion at my previous job.
- Other reasons, if any __________________________

12 What are the factors that influence positively the development of your business in tourism? More answers than one are possible.
- Entrepreneurial culture to convert ideas into profitable products/services.
- Family background with business ownership
- Entrepreneurial experience with start-up experience of previous businesses
- Entrepreneurial experience with management experience in previous businesses
- Entrepreneurial financial support from my family with the start-up.
Entrepreneurialism in tourism and economic growth in Rwanda

- Entrepreneurial macro-economic conditions in the tourism sector
- Other factors, if any

13 What are according to you, the entrepreneurial traits that characterize the Rwandan entrepreneurs in tourism in the search for driving the tourism development in Rwanda? More answers than one are possible.
- Need for achievement
- Risk-taking propensity
- Opportunity seeking and initiative
- Systematic planning and monitoring
- Self-efficacy and creativity
- Ambiguity tolerance
- Identification of market opportunities

D Questionnaire on development management areas

14 What are, according to you, the three main tourism Development Management Areas in Rwanda?
- Kigali Hub DMA
- Volcanoes DMA
- Akagera DMA
- Muhazi DMA
- Gisenyi DMA
- Kibuye DMA
- Nyungwe DMA

15 According to you, how many tourism business start ups have taken place in Volcanoes Development Management Area (DMA) – (Musanze) in the last year?
- Less than 5
- 5 to 10
- 10 to 20
- 21 to 30
- 31 to 40
- 41 to 50
- 51 and above

16 According to you, how many tourism business start ups have taken place. Please choose the appropriate category of tourism business start-ups in Gisenyi Development Management Area (DMA) - in the last year?
- Less than 5
Appendix 2 – Questionnaires for entrepreneurs and policy-makers

17 According to you, how many tourism business start ups have taken place in Kigali Hub DMA in the last year?
- Less than 5
- 5 to 10
- 10 to 20
- 21 to 30
- 31 to 40
- 41 to 50
- 51 and above

18 According to you, what are the top three entrepreneurial opportunities available for entrepreneurs in the tourism industry in Rwanda?
- Establishment of more eco-lodges
- Innovation in mountaineering and trekking gorillas, as there remains hardly any peak left for gorilla trekking
- New Hotel chain projects and resorts by local and foreign investors
- Establishment of more community tourism-based companies
- Creation of events and entertainment companies
- Establishment of cultural tourism-based companies
- Others

19 What would you like to improve to tourism entrepreneurial opportunities to flourish?
- Better quality café and restaurants
- Develop open-air environment: cafes, etc.
- Theater and cultural Arts Center
- Wider range of music concerts
- More arts and cultural events
- Increased number of qualified and competent hoteliers and tourist guides
- Increase facilities in banking system like ATM/banks, Visa, and Mastercard
- Others
E The role of the Rwandan Government in stimulating tourism business
development

Indicate your agreement or disagreement by scoring each question using the
following five Likert scale: 1 (strongly disagree); 2 (somewhat disagree); 3
(neither agree nor disagree); 4 (somewhat agree); 5 (strongly agree).

20 To ignite the tourism engine of growth in Rwanda a number of key policies
have been developed and actions taken in the area of Safety and Security.

- 1 Strongly disagree
- 2 Somewhat disagree
- 3 Neither agree nor disagree
- 4 Somewhat agree
- 5 Strongly agree

21 To ignite the tourism engine of growth in Rwanda a number of key poli-
cies have been developed and actions taken in the area of Investment and
incentives.

- 1 Strongly disagree
- 2 Somewhat disagree
- 3 Neither agree nor disagree
- 4 Somewhat agree
- 5 Strongly agree

22 To ignite the tourism engine of growth in Rwanda a number of key policies
have been developed and actions taken in the area of innovation and crea-
tivity in tourism products development.

- 1 Strongly disagree
- 2 Somewhat disagree
- 3 Neither agree nor disagree
- 4 Somewhat agree
- 5 Strongly agree

23 To ignite the tourism engine of growth in Rwanda a number of key policies
have been developed and actions taken in the area of infrastructure devel-
oping including air and ground transportation.

- 1 Strongly disagree
- 2 Somewhat disagree
- 3 Neither agree nor disagree
- 4 Somewhat agree
- 5 Strongly agree
24 To ignite the tourism engine of growth in Rwanda a number of key policies have been developed and actions taken in the area of marketing and promotion.

- 1 Strongly disagree
- 2 Somewhat disagree
- 3 Neither agree nor disagree
- 4 Somewhat agree
- 5 Strongly agree

25 To ignite the tourism engine of growth in Rwanda a number of key policies have been developed and actions taken in the area of education and training.

- 1 Strongly disagree
- 2 Somewhat disagree
- 3 Neither agree nor disagree
- 4 Somewhat agree
- 5 Strongly agree

26 To ignite the tourism engine of growth in Rwanda a number of key policies have been developed and actions taken in the area of environmental management and conservation.

- 1 Strongly disagree
- 2 Somewhat disagree
- 3 Neither agree nor disagree
- 4 Somewhat agree
- 5 Strongly agree

27 To ignite the tourism engine of growth in Rwanda a number of key policies have been developed and actions taken in the area of quality and standards of the products.

- 1 Strongly disagree
- 2 Somewhat disagree
- 3 Neither agree nor disagree
- 4 Somewhat agree
- 5 Strongly agree

28 To ignite the tourism engine of growth in Rwanda a number of key policies have been developed and actions taken in the area of financing and access to finance.

- 1 Strongly disagree
- 2 Somewhat disagree
Entrepreneurialism in tourism and economic growth in Rwanda

☐ 3 Neither agree nor disagree
☐ 4 Somewhat agree
☐ 5 Strongly agree

29 To ignite the tourism engine of growth in Rwanda a number of key policies have been developed and actions taken in the area of local and foreign investments.
☐ 1 Strongly disagree
☐ 2 Somewhat disagree
☐ 3 Neither agree nor disagree
☐ 4 Somewhat agree
☐ 5 Strongly agree

30 To ignite the tourism engine of growth in Rwanda a number of key policies have been developed and actions taken in the area of pricing and value for money.
☐ 1 Strongly disagree
☐ 2 Somewhat disagree
☐ 3 Neither agree nor disagree
☐ 4 Somewhat agree
☐ 5 Strongly agree

F Tourism performance and Economic Growth

Indicate your agreement or disagreement by circling each statement question using the following five-point Likert scale: 1 (strongly disagree); 2 (somewhat disagree); 3 (neither agree nor disagree); 4 (somewhat agree); 5 (strongly agree).

31 The pragmatic economic policies that the Government of Rwanda has implemented for the last five years through various development plans that include the vision 2020 and EDPRS have contributed to the overall tourism performance and economic growth.
☐ 1 Strongly disagree
☐ 2 Somewhat disagree
☐ 3 Neither agree nor disagree
☐ 4 Somewhat agree
☐ 5 Strongly agree
32 The innovation and creativity by tourism entrepreneurs in Rwanda have contributed to the overall tourism performance and economic growth for the last five years.

- 1 Strongly disagree
- 2 Somewhat disagree
- 3 Neither agree nor disagree
- 4 Somewhat agree
- 5 Strongly agree

33 The innovation and creativity by Rwanda Development Board have contributed to the overall tourism performance and economic growth for the last five years.

- 1 Strongly disagree
- 2 Somewhat disagree
- 3 Neither agree nor disagree
- 4 Somewhat agree
- 5 Strongly agree

34 Planning and coordination of the tourism activities by the Rwanda Development Board have contributed to the overall tourism performance and economic growth for the last five years.

- 1 Strongly disagree
- 2 Somewhat disagree
- 3 Neither agree nor disagree
- 4 Somewhat agree
- 5 Strongly agree

35 Public-private partnership has contributed to the overall tourism performance and economic growth for the last five years.

- 1 Strongly disagree
- 2 Somewhat disagree
- 3 Neither agree nor disagree
- 4 Somewhat agree
- 5 Strongly agree

36 The use of knowledge, technologies and marketing strategies by entrepreneurs in the tourism sector in Rwanda have contributed to the overall tourism performance and economic growth for the last five years.

- 1 Strongly disagree
- 2 Somewhat disagree
- 3 Neither agree nor disagree
Entrepreneurialism in tourism and economic growth in Rwanda

37 The joint marketing and branding Rwanda as a tourism destination by entrepreneurs and Rwanda Development Board have contributed to the overall tourism performance and economic growth for the last five years.

☐ 1 Strongly disagree
☐ 2 Somewhat disagree
☐ 3 Neither agree nor disagree
☐ 4 Somewhat agree
☐ 5 Strongly agree

38 According to you, what are the top 3 sectors that present much more entrepreneurial opportunities for income generation that can boost entrepreneurship and contribute to economic growth of Rwanda?

☐ Tourism
☐ Agriculture
☐ Minerals and Mining services
☐ Industry
☐ Business Process Outsourcing (ICT Services)
☐ Home Décor and Fashion

39 To what extent do you think there is a relationship between the current economic growth of Rwanda and the tourism performance? Circle your best corresponding answer:

☐ 1 Not at all
☐ 2 A little
☐ 3 Somewhat
☐ 4 Much
☐ 5 To a great extent

40 For the last five years, to what extent do you rate the investment outlay put in the tourism sector? Circle your best corresponding answer:

☐ 1 Not at all
☐ 2 A little
☐ 3 Somewhat
☐ 4 Much
☐ 5 To a great extent

41 For the last five years, how do you rate the contribution of the tourism sector to the economic growth of Rwanda? Circle your best corresponding answer:
Appendix 2 – Questionnaires for entrepreneurs and policy-makers

G  Competences and skills to drive the entrepreneurship in tourism

42 To what extent do you rate the competencies of entrepreneurs in the tourism sector in Rwanda?
☐ 1 Not at all
☐ 2 A little
☐ 3 Somewhat
☐ 4 Much
☐ 5 To a great extent

43 How do you rate the level of skills available in the tourism sector in Rwanda?
☐ 1 Not at all
☐ 2 A little
☐ 3 Somewhat
☐ 4 Much
☐ 5 To a great extent

44 What are important reasons that motivate staff to choose a career in the tourism industry in Rwanda?
☐ Interest in the profession
☐ Opportunity to meet people
☐ Reputation of the hospitality industry
☐ Good pay and fringe benefits
☐ Difficulty to find any other job
☐ A member of the family works in the hospitality industry
☐ Strong identification with my familys business
☐ Others

45 According to you, what are the traits/characteristics of Rwandan entrepreneurs that trigger current and prospective economic growth of the tourism sector? More answers are possible.
☐ High need for achievement
☐ Risk-taking propensity
☐ Opportunity seeking and initiative
Entrepreneurialism in tourism and economic growth in Rwanda

☐ Systematic planning, monitoring, and controlling
☐ Self-efficacy and creativity
☐ Ambiguity tolerance
☐ Identification of market opportunities
☐ Others ____________________________________________

46 **According to you, what are the factors that influence positively the tourism business in Rwanda? More answers are possible.**
☐ Friendly and welcoming people
☐ Focused government on travel and tourism to boost income and economic growth
☐ Involvement of the private sector in the policy dialogue and tourism promotion
☐ Secure and safety destination
☐ Participation of local community in the tourism
☐ Improved and relatively stable macroeconomic conditions
☐ Viable and relatively good tourism assets like ground and air transportation
☐ Others ____________________________________________

47 **According to you, what are the factors affecting adversely the tourism business in Rwanda? More answers are possible.**
☐ Inadequate tourism education, training and awareness
☐ Poor customer service in the tourism and hospitality industry
☐ Lack of tourism product development and visitor’s experience in the tourism and hospitality
☐ Inadequate working conditions that affect the quality service delivery
☐ Lack of wider range of banking facilities that facilitate international payments
☐ Others ____________________________________________

**PART II**
**Open-ended question**

Do you think policy-makers should focus on improving macro-economic conditions or on fostering individual entrepreneur traits/characteristics in promoting tourism? Explain.

Many thanks.
2.2 Questionnaire to policy-makers

PART I
Closed-ended questions

This questionnaire remains the same as 2.1, apart from questions 10 and 11 that are not asked to policy makers.

PART II
Open-ended question

1 Do you think policy-makers should focus on improving macro-economic conditions or on fostering individual entrepreneur traits/characteristics in promoting tourism? Explain.

Many thanks.
Appendix 3
Interview guide

Dear interviewee,

My names are Callixte Kabera. I am a PhD student from Vrije Universiteit-Amsterdam. I am carrying out a research entitled “Entrepreneurialism in Tourism and Economic Growth in Rwanda: Challenges for Policy Formulation.” Thank you for offering me around 45 minutes to conduct with you an interview on the above subject. The study aims at assessing the tourism entrepreneurial opportunities in Rwanda in relation to the current economic growth of Rwanda, with an emphasis on the role of the government initiatives and policies in stimulating tourism entrepreneurship for the economic growth of Rwanda.

The information you provide on the topics below will be treated with confidentiality and anonymity at all times. I am also happy to share my results at the end of the study.

Allow me to take notes, photographs, possibly record the interview. Thereafter, I will write a report, summarize it and then send it back to you for approval.

With thanks,
KABERA CALLIXTE, PhD Student, VU University Amsterdam, the Netherlands
Kabera_callixte@yahoo.com or tel +250 788306692 or +31684237032

Topics for a semi-structured interview

1. The level of the current state of tourism entrepreneurial opportunities in Rwanda
2. Tourism opportunities available in Rwanda
3. Emergence of entrepreneurs taking advantage of those tourism opportunities in Rwanda
4. Quality and attractiveness of development management areas in Rwanda
5. Government’s intervention, strategies and policy initiatives to stimulate entrepreneurship development in the tourism sector
6. The contribution of the tourism sector to boost and sustain income generation and therefore the economic growth of Rwanda for the last five years
7. Investment projects in the tourism sector in the past five years
8. Competencies and skills to drive the tourism growth in Rwanda
9. Factors affecting positively and negatively the tourism sector in Rwanda
10. Improvement in the five years to come
Appendix 4
Interview transcription

Four examples of interview transcripts out of 10 interviews.

IT1
Business type: Hotel owner
Physical address: Kigali/Gasabo District
Gender of the entrepreneur: Female
Age: 50 years old
Date of interview: 12th May 2012@ 3h00pm

1 Briefly, tell me about the current status of the tourism sector in Rwanda
The Tourism sector in Rwanda is good on average; here I mean not so high and not so low. To back my statement, in Rwanda the level of domestic tourism is still low and this is due to high prices for tourism products and attractions (gorilla ticket) to the locals hence force they find no interest in the so called tourism, conflicts between tourism and the host communities, to these masses tourism is a barrier since most tourism occupies the land for their agriculture, grazing of animals and support for it is low and high levels of taxation on the side of tourism entrepreneur’s especially in the hotel business, when it is low seasons.
On the side of high, we look at tourism infrastructure in the country like roads, banks, hotels; there is generally a positive trend, political stability that the country has enjoyed since 1994, favorable environment for tourism investment with government giving incentives in equipment imports and for construction. That is my view

2 How do you see the level of tourism entrepreneurial opportunities available in Rwanda? Do you think entrepreneurs in tourism sector are motivated by economic gains or there are other motivations you have in mind?
The level of the current Tourism Entrepreneurial Opportunities available in Rwanda is at a high level currently. This is because currently in Rwanda there are a lot of virgin entrepreneurial opportunities like in the hotel industry and that is why we have seen the rise of Marriot hotel, entrepreneurial opportunities in MICE, talk of Tourism Transport and these businesses that provide transport related services like airlines e.g Rwanda Air, Railway, Road and water transport, Opportunities in Recreational facilities, Resorts, Tour and Travel Companies among many others.
Entrepreneurialism in tourism and economic growth in Rwanda

3 Do you see emergence of entrepreneurs taking advantage of these opportunities in Rwanda?

Do you think entrepreneurs in tourism sector are motivated by economic gains or there are other motivations in mind?

To my view is that the emergence is still at low level, I totally agree that tourism entrepreneurial opportunities are in plenty in Rwanda but Entrepreneurs to take up these are still limited due to reasons like inadequate marketing of the country as a tourism destination, a lot of people still think Rwanda is a country only famous of genocide and political instability, two is the level of competition in terms of tourism compared to other East African Countries like Kenya and Uganda which are far as tourism is concerned compared to Rwanda and therefore a lot of foreign investors prefer investing their money in these rich countries. But for national, access to finance is still difficult, because high rate interest, and no special financing for tourism. I would also consider the issue of poverty in the country and therefore case for a small market of tourism goods and services, which is a threat to most entrepreneurs.

4 How do you see the quality and attractiveness of development management areas in Rwanda?

The quality and attractiveness of development areas in Rwanda is not all at its best, implying at a low level, most attractive development areas are located deep in remote areas where accessibility is a problem and a scare to most investors, still since these areas are in remote areas, also the masses are backward in terms of education, poor skills and this may still deny the quality and attractiveness that we need in these development areas in Rwanda where social facilities like power, banks, transport is a hindrance.

5 How do you rate the Government’s intervention, strategies and policy initiatives to stimulate entrepreneurship development in the tourism sector?

Yes on government’s intervention, strategies and policy initiatives to stimulate entrepreneurship development in the tourism sector, this is very positive where by the government policies support entrepreneurship development in the tourism sector with incentives like I said earlier free and less costly land for development, Tax free for equipment, and raw materials for construction and free marketing to the international world and this is also geared towards attracting more foreign investors and the best is a free political climate for investment. However, the issue is that SMEs compete with bigger and more capitalized enterprises of the international travel industry (tour operators, airline companies, hotel and catering chains, and car rental compa-
nies), which are more productive at delivering travel services to destination markets. In addition, with interest rates ranging between 14% - 18% and loan amortization being short, between 3-7 years, right after the loan is acquired, this situation is unaffordable. In this sense, most banks and other financial institutions require security and for an industry that is mainly service driven, this may not always be available. Also the fact this is a season-driven industry, has made it difficult for us to access financing.

6 How do you see the contribution of the tourism sector to boost and sustain income generation and therefore the economic growth of Rwanda for the last five years?
Realistically the contribution can be measured at a high extent though a lot is still needed from the tourism sector. The sector has worked hard to boost the tourism industry, here there has been positive policy on tourism education especially TVET in hospitality and tourism, more awareness campaigns, conservation and preservation of the tourism resources especially the natural resources, formation of tourism associations and tourism chamber, all to sustain income generation and evidence is that tourism is number one export of the country now thus it contributes the highest percentage to the country’s GDP.

7 How do you see investment projects in the tourism sector in the past five years?
Investment projects are at a high trend in the tourism sector in the past five years. Look at the trend of the new brand of hotels in the country like Serena hotels, Marriott Hotels, convention centre, Radisson coming, all these are multinational businesses, more recreational facilities have risen, beaches, camping areas, more tourism activities and tourism products, like canopy walk in Nyungwe park, everything is on a high and there is more creativity and innovation on the rise. However, if Rwanda needs to increase revenues derived from tourism Rwanda will have to succeed in extending the length of stay of visitors and address current shortcomings related to developing entertainment alternatives in main DMAs and improve quantity and quality of tourism facilities.
8 How do you rate the competencies and skills to drive the tourism growth in Rwanda?
For me, competencies and skills to drive the tourism growth in Rwanda are very low, both among entrepreneurs and staff working in the tourism sector. The country still lacks competencies and skills compared to other countries of East African Countries, where tourism has been there since long time, e.g. Uganda and Kenya, Tourism is a new chapter in Rwanda after the genocide of 1994 and therefore skills in this area is still low and that is why a country is still depending on imported labour in terms of competencies and skills in this field of tourism. Of course, there are some schools like RTUC and Akilah Institute, but the number and required professionalism is still limited. In the past, we would hire family members due to unemployment or whoever we could find; now we are hiring new trained people on specific jobs like chefs. It is hard to recruit good and talented people in Rwanda, even those from school lack experience, full of theory, which cannot be of any good to us. We are constantly looking for skilled people and once you get one, either expensive or is offered a better salary next door.

8 According to you, what do you think are the factors affecting positively and adversely the tourism sector in Rwanda?
On factors affecting positively the Tourism Sector in Rwanda are High levels of infrastructural development, Political Stability, Good Government Policies, Tourism potentials and attractions like uniqueness of gorilla product, High market for tourism goods and services among many others.
On the adversely side we have political instabilities within the neighborhood like Congo, inadequate market for tourism goods and services especially domestic tourism, policies on high taxation, lack of tourist experience, low competencies and skills, lack of special fund for tourism investments, among many others.

9 What do you want to be improved in the five years to come?
- Competencies and Skills in Tourism;
- More incentives on taxation, less costly loans;
- Air Ports and Transport improved;
- Attract more conferences, etc.
1 Please tell me about yourself and your business and elaborate also on the current state of tourism sector in Rwanda and economic development model followed by Rwanda.

I am the owner and founder of a tour company. I have invested my time, energy and money to see that local communities benefit from tourism and conservation and to have them on board as part and stakeholders of and in conservation to ensure sustainable conservation of the gorillas and their habitat. Some of the successful projects so far have been the Iby'Iwacu Cultural Village that brings into the community 20,000 USD annually to the village neighboring gorillas and who were poachers, and the GOATS FOR GORILLAS projects, where every tourist who visits through Rwanda Eco-Tours gives a goat to a community family through a giving back to community celebration at the village. We hope to have every household to get a goat as an incentive for conservation, and that way the communities will know the importance of protecting and conserving the gorillas and their habitat. This is in addition to the 10% of annual profits contribution from Rwanda Eco-Tours back to the community.

The current state of tourism is poor; there is no policy facilitation, no incentives and no practical understanding of entrepreneurship and how it works. This should be improved. Lack of practical understanding of entrepreneurship and how it works for workers in the public sector who are supposed to initiate such policies at RDB, MINICOM and at decentralized local authorities is limiting required development."

Concerning the economic development model followed by Rwanda, this is the same as the traditional one, apart from the fact that this is complemented by building ties with important business leaders around the globe, relations that are spearheaded by our President Paul Kagame, through his economic advisory Council.
Entrepreneurialism in tourism and economic growth in Rwanda

3 How do you see the level of tourism entrepreneurial opportunities available in Rwanda? Do you think entrepreneurs in tourism sector are motivated by economic gains or there are other motivations you would like to extend on?

The level of the current Tourism Entrepreneurial Opportunities available in Rwanda is poor also. As mentioned above, there is lack of policy facilitation and incentives to the entrepreneurs and actually those who are supposed to enable and create a conducive environment for this business to flourish don’t understand practically what entrepreneurship is and how it can work to facilitate tourism entrepreneurs. There are currently a lot of potential opportunities in the tourism sector like in MICE, in small and medium sized hotels, transport facilities, recreational facilities and resorts, etc.

4 How do you see emergence of entrepreneurs taking advantage of these opportunities in Rwanda?

Yes, there are entrepreneurs who struggle to start their business but they are limited by lack of incentives and facilitation to small business that stimulates middle class that would lead innovation and creativity. In addition, investment in tourism education is limited, access to finance is difficult and this should be fixed by the Government for the tourism industry to thrive to a competitive rather than a comparative operandi mode in use. Do you think entrepreneurs in tourism sector are motivated by economic gains or there are other motivations you would like to extend on? For me, there is no entrepreneur in this world who started a business and does not think about expanding his business. If you do not think in this way something is wrong with you, you are not a true entrepreneur. We are all primarily motivated by profitability.

5 How do you see the quality and attractiveness of development management areas in Rwanda?

The quality of attractiveness of development areas in Rwanda is not bad, but so many improvements are needed on infrastructures leading to the remote destinations as well as better quality of workers involved in facilitating the tourists and on entertainment activities at destinations.

6 How do you see the contribution of the tourism sector to boost and sustain income generation and therefore the economic growth of Rwanda for the last five years?

It is very poor. There is need for better policy framework, implementation of policy and strategies, facilitation and incentives for start up businesses. Rwanda’s success in boosting tourist arrivals has not led to proportional in-
crease in its total receipts expected from foreign travelers and this could be attributed to limited length of stay of tourists mainly driven by a lack of entertainment alternatives and product diversification. This cannot allow tourists to increase their spending, as they are not so many things that can retain them here for long.

7 How do you see the contribution of the tourism sector to boost and sustain income generation and therefore the economic growth of Rwanda for the last five years?

The fact is that tourism is number one foreign income generation since already five years now, employing many people viewing the number of tours companies created and international hotels being established in addition to increased numbers of tourists’ arrivals. The contribution of tourism to the economic growth of Rwanda is big even though I believe this can be improved if some policies and strategies are designed to boost this sector.

8 How do you rate investment projects in the tourism sector in the past five years?

Taking into consideration the establishment of international brand hotels and improved transport facilities like the growth of Rwandair and the renovation of Kanombe airport and creation of new tourism routes like Kivu Nile Trail and canopy walk in Nyungwe, the investments outlays are on upward trend even though I believe much more could be done.

9 How do you rate competencies and skills to drive the tourism growth in Rwanda?

The education tourism sector has been neglected despite some few private initiatives like RTUC and Akilah, which still are very few compared to the needs. The country still lacks competencies and skills compared to other countries of East Africa such as Kenya and Uganda. We are still in a relatively early stage of skills development as efforts to develop relevant skill-sets for the tourism sector have been sluggish, and due to the complexity and sophistication of the general tourism sector, some important sub-sectors need to be packaged in a holistic manner in order to accommodate diverse tourism experiences, current and future trends in the consumer behavior of the new tourist profile. The skills and competencies required have not captured our needs, trends and changes taking place in the tourism sector; we have been very slow in tackling this issue in Rwanda and the problem is acute in remote DMAs compared to Kigali where some tourism schools are coming over.
10 **According to you, what are the factors affecting positively and adversely the tourism sector in Rwanda?**

For me, the factors affecting positively the tourism sector in Rwanda are the involvement of the private sector in the policy dialogue and tourism promotion, the prevailing safety and security as well as the relatively good tourism assets like ground transportation and air transportation. You can visit any destination in Rwanda within a short time including the trekking of Gorilla. On the adversely side, I can say that much of the tourism development in Rwanda is also affected highly by high pricing and lack of competitiveness and diversification of service and product we offer, and this issue affects seriously our tourism business. The root causes can be traced in inadequate tourism education, training and human management, lack of access to finance, lack of facilitation and tax incentives and poor entrepreneurial policies and incentives.

11 **Where do you want improvement in the five years to come?**

Fix macro and micro economic conditions to facilitate the flow of small business and improve access to finance, which can propel and stimulate middle class start ups and lay out foundations to innovation and creativity plus investment in the tourism education that can foster industry-based skills for the industry to thrive to a competitive rather than a comparative mode of business that prevails now.

**IT3**

Business type: Hotel owner and Senior member of Rwanda hospitality Association (RHA)

Physical address: Kigali/Gasabo District

Gender of the entrepreneur: Male

Age: 56 years old

Date of interview: 16th May 2014@19h00pm

1 **Please tell me about yourself and your business**

I am owner of Hotel. I am also the senior member of the Rwanda Hospitality Association.

The Tourism sector in Rwanda is still poor, because it is not backed by a strong domestic tourism due high prices especially on gorilla ticket and because of lack of small and medium sized accommodation. No incentives to local business to start tourism business. They are treated equally like big companies. Incentives are there for big companies but small ones face challenges. So, there is need to continue to advocate for the establishment of policies that favor local to start business in this sector and establish a tour-
ism fund to cater specifically for entrepreneurs who cannot afford loans in commercial banks.

3 How do you rate today the level of tourism entrepreneurial opportunities available in Rwanda?
The level of the current Tourism Entrepreneurial Opportunities available in Rwanda is high. This is because currently in Rwanda there are a lot of virgin entrepreneurial opportunities like in the hotel industry, transport, accommodation, resort and eco-lodges.

4 Do you see emergence of entrepreneurs taking advantage of these opportunities in Rwanda?
I do agree that tourism entrepreneurial opportunities are many in Rwanda but local entrepreneurs to take up these opportunities are still limited due to lack of entrepreneurial skills and financial capacity. Many opportunities are taken by people from the region. For local entrepreneurs, access to finance is still difficult, because of high rate of interest, and no special financing for tourism.

5 How do you see the quality and attractiveness of development management areas in Rwanda?
The quality is not so good compared to the international standards, but the attractiveness of development areas in Rwanda is not bad. The views are good and accessibility is not a problem, but remote areas lack appropriate investments and characterized by backward in terms of education, poor skills, which contribute to low quality and attractiveness that we need in these development areas.

6 How do you see Government’s intervention, strategies and policy initiatives to stimulate entrepreneurship development in the tourism sector?
Yes on government’s intervention, strategies and policy initiatives to stimulate entrepreneurship development in the tourism sector, I think the Government is very positive and trying to overcome some of the hindrances related to infrastructure and policies to support entrepreneurship development in the tourism sector with incentives required to have basic infrastructures in place. However, on the issue of skills to cater for high-end tourism, we still lag behind. In fact, this issue is particularly important to us in the context of strategies aimed at developing leisure tourism and high-end segments, where tourist expectations are considered higher and correlated to international standards.
7 How do you see the contribution of the tourism sector to boost and sustain income generation and therefore the economic growth of Rwanda for the last five years?

Realistically the contribution is highly big in terms of income generation, employment and taxes to government. However, more effort should be put in encouraging local entrepreneurs to take part in this industry. This can only be done by establishing favorable policies and incentives in this specific sector to allow local entrepreneurs participate in the development of the tourism sector. Rwanda’s success in boosting tourist arrivals has not led to proportional increase in its total receipts expected from foreign travelers and this could be attributed to limited length of stay of tourists mainly driven by a lack of entertainment alternatives and product diversification. Entrepreneurs can do this if focused incentives are provided and loans facilitated.

8 How do you rate investment projects in the tourism sector in the past five years?

Investment projects are increasing year by year and even the plans for future are set to be high. If you look at international hotels that have established in the past five years and other investments that are flowing down in Rwanda, you see a steady growth.

9 How do you rate competencies and skills to drive the tourism growth in Rwanda?

In my opinion, competencies and skills to drive the tourism growth in Rwanda is still low, the country dramatically lacks competencies and skills compared to other countries of East African community. Sometimes we are obliged to hire managers and professionals from those countries, giving room for more actions towards that end. Of course, there are some schools like RTUC and Akilah Institute, WDA Hospitality Academy, but the number and quality of the required professionals is still limited at least in the short run. The moves and trends observed today in the tourism sector go beyond the standards and traditional skills and tend to shift towards IT Systems. The human dimension of soft skills is centered on cutting edge innovation and service delivery. Higher educational and training requirements – which are key points of entry into the workforce – workplace pay, location and ownership of tourism businesses are some of the key ingredients that this sector needs emphasize on to underpin in its development phase today and tomorrow.

10 According to you, how do you see factors affecting positively and adversely the tourism sector in Rwanda?
On the positive side, I can say infrastructural development, Political Stability, Good Government Policies, Tourism potentials and attractions like uniqueness of gorilla product, the smallness of the country and its focus to conservation of the nature, etc.

On the negative side, Rwanda’s success in boosting tourist arrivals has not led to proportional increase in its total receipts expected from foreign travelers and this could be attributed to limited length of stay of tourists mainly driven by a lack of entertainment alternatives and product diversification.

11 Where do you want improvement on the five years to come?
In the five years to come, I look forward investment in Competencies and Skills in Tourism, more incentives on taxation, access to finances, Air Ports and Transport improved, Attract more business and conferences, etc.

IT4
Business type: Senior Manager at Serena Hotels in Rwanda
Physical address: Kigali City
Gender of the entrepreneur: Male
Age: 44 years old
Date of interview: 20th May 2014 @ 16h00pm

1 Please tell me about yourself and your business
I am a Kenyan, working as a senior Manager for Serena Hotels in Rwanda.

2 You are a Kenyan and have been working here at this position since a couple of years, briefly. Tell us about the current state of the tourism sector in Rwanda and the economic development model of Rwanda.
   The current state of tourism is good; there is a conducive environment for business especially multinationals. I think it would be very difficult for small business to start and grow easily, taking into consideration the competition from EAC Countries because of lack of facilitation or incentives towards small sized business and yet, this category lacks practical understanding of entrepreneurship and how it works as well as managerial skills. Another issue is access to finance is complicated for small business as they lack collaterals and professional expertise in the tourism sector.

3 How do you rate today the level of tourism entrepreneurial opportunities available in Rwanda?
   As I said, the level of the current Tourism Entrepreneurial Opportunities is good, but lack of key tourism entrepreneurs to take advantage of these opportunities impede for any local entrepreneur to develop easily. In fact, there
is need of policy facilitation and incentives to the entrepreneurs and actually those who are supposed to enable and create a conducive environment for this business to flourish don’t also understand practically what entrepreneurship entails and how it can work to facilitate them. Professional associations are poorly equipped with skills to advocate for them. There are currently a lot of potential opportunities in the tourism sector like in MICE, in small and medium sized hotels, bar and restaurants, transport facilities, recreational facilities and resorts, cultural events and entertainment, etc.

4 Do you see emergence of entrepreneurs taking advantages of these opportunities in Rwanda?

Yes, slowly. There are some entrepreneurs who struggle to start their business but they are limited by funding, by lack of incentives and facilitation to small business that stimulates middle class that would lead innovation and creativity. In addition, investment in tourism education is limited and this should be fixed by the Government for the tourism industry to thrive to a competitive rather than a comparative operandi mode in existence. In Kenya, there are strong professional tourism associations who voice their needs and pass them to a higher level. Here, the associations are not strong and don’t push the public sector to act in their favor.

5 How do you see the quality and attractiveness of development management areas?

The quality of attractiveness of development areas in Rwanda is not bad. Tourism attractions, including gorilla sites, and national parks offer a varied range of wildlife and biodiversity. There is increased recognition of Rwanda as a tourism destination (in specialized fairs and events), existence of clear policy, strategy and master plan for development of the sector, positive image associated with the country due to environmental standards and safety, smallness of the country, making it easy to tour with easy access to key attractions. However, so many improvements are needed on infrastructures leading to the remote destinations as well as better quality human resource involved in facilitating the tourists and on entertainment activities at destinations as well as lack of legislation governing the industry and the tourism professions. In addition, Rwanda as a tourism destination lies within a very competitive region of the East African Community; it is wise for both private and public agencies to widely adapt and make a concerted effort at operational and policy levels to cater for customer demand as the latter have different profiles and expectations that need to be served adequately.
6 How do you see Government’s intervention, strategies and policy initiatives to stimulate entrepreneurship development in the tourism sector?

The government has done so many things in the areas of policies and regional cooperation. There is existence of clear policy, strategy and master plan for development of the sector and recently the adopted tourism bill. There is even positive image associated with the country due to environmental standards and safety. However, there is still need for infrastructural development and accommodation facilities of all sizes for access to key attractions. There is need for better policy framework, implementation of policy and strategies, facilitation and incentives for start up businesses and small entrepreneurs in the sector and improve for them accessibility to finance.

7 How do you see the contribution of the tourism sector to boost and sustain income generation and therefore the economic growth of Rwanda for the last five years?

The tourism sector has maintained its position as the leading foreign currency earners in Rwanda since 2007. With continued investment by the government, travel and tourism is expected to continue to grow over the forecast period in the Tourism Master Plan (2020), National export strategy (2012) and 5 years strategic plan (2013-2018) will remain a key foreign exchange earner. It will continue to create more jobs for many people viewing the number of tours companies created and international hotels being established in addition to increased numbers of tourists’ arrivals. The contribution of tourism to the economic growth of Rwanda is big even though I believe this can be improved if some policies and strategies are designed to boost this sector.

8 How do you rate investment projects in the tourism sector in the past five years?

Strong incentives are directed in Rwanda mostly in the tourism sector. These incentives have been successful in attracting FDI, particularly in hotels and leisure. Apart from the general incentives available to all registered investors, investors in the tourism and hotel industry are exempted from import duties on the equipment. Investment attraction is being pursued in the current tourism strategy as a means to anchor existing and new tourism brands. Investment opportunities have been identified in the regional conference business in Kigali, construction of more 3 star, 4 star, & 5 star hotels both in Kigali and in regional cities like Butare, Gisenyi, Muhazi, Nyanza and Akagera and to attract premium eco-tourism operators, to widen activity base in this sub-sector. Taking into consideration the establishment of international brand hotels and improved transport facilities like the growth of Rwandair and the renovation of Kanombe airport and creation of new tourism routes like Kivu
Nile Trail and canopy walk in Nyungwe, and new birding routes, the investments outlays are and will continue on upward trend.

9 **How do you rate competencies and skills to drive the tourism growth in Rwanda?**

Human capital development has been prioritized by the GoR, in a cross-cutting manner to develop the competiveness of the overall service economy, but particularly in the tourism sector, where the role of employees is significantly ascribed to interaction with customers. In this sector, this area is considered crucial to increase profitability, to attract higher-end tourists and capturing higher margins while pursuing Rwanda's diversification strategy in the sector. The education tourism sector has been neglected despite some few private initiatives like UTB formerly known as RTUC and Akilah, and recent government initiatives through WDA, which still are very few compared to the needs. We are still in a relatively early stage of skills development as efforts to develop relevant skill-sets for the tourism sector have been sluggish, and due to the complexity and sophistication of the general tourism sector, some important sub-sectors need to be packaged in a holistic manner in order to accommodate diverse tourism experiences, current and future trends in the consumer behavior of the new tourist profile. The skills and competencies required have not captured our needs, trends and changes taking place in the tourism sector; we have been very slow in tackling this issue in Rwanda and the problem is acute in remote DMAs compared to Kigali where some tourism schools are coming over.

10 **According to you, what are the factors affecting positively and adversely the tourism sector in Rwanda?**

The factors affecting positively the tourism sector in Rwanda include safety and security, gorilla unique sites, and national parks offering a range of wildlife and biodiversity, international recognition of Rwanda as a tourism destination (in specialized fairs and events), existence of clear policy, strategy and master plan for development of the sector, positive image associated with the country due to environmental standards and safety, small size of the country makes it easy to tour with easy access to key attractions, ongoing projects for infrastructure development, such as increased hotel rooms, restaurants and conference center, and new and promising areas for diversification have been identified and some of them have recently been launched, birding routes, Congo Nile trail and Single EAC Visa and recently created platforms to enhance intra regional cooperation to develop the sector may entail opportunities for increased trade in tourism services in the region.
On the adversely side, I can cite the Training facilities which are limited and related limited quality of tourism education, training and human management, Limited entertainment alternatives in main cities, low capacity and under-skilled human resources, low availability of finance and partnership for private sector investment in the sector, under-developed regulatory framework for the tourism sector such as lack of legislation governing the industry and tourism professions – low skills, access to finance, limited entertainments, and regulations need strengthening and lack of tourism product development.

11 Where do you want improvement in the five years to come?
Fix macro and micro economic conditions to facilitate the flow of small business and improve access to finance as well as investment in the tourism education that can foster industry-based skills. All these actions combined can lead to improved tourism development and stimulate middle class start-ups and lay out foundations to innovation and creativity.
# Appendix 5

## Profile of interviewed entrepreneurs and policy-makers

<table>
<thead>
<tr>
<th>Code</th>
<th>Age</th>
<th>Gender</th>
<th>Education level</th>
<th>Business sector(s)</th>
<th>Location</th>
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<tbody>
<tr>
<td>IT1</td>
<td>50</td>
<td>Female</td>
<td>Bachelor’s degree in Management</td>
<td>Hotel Owner</td>
<td>Kigali-Gasabo District</td>
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<tr>
<td>IT2</td>
<td>38</td>
<td>Male</td>
<td>Diploma in Hotel Management</td>
<td>Hotel Manager</td>
<td>Kigali-Gasabo District</td>
</tr>
<tr>
<td>IT3</td>
<td>38</td>
<td>Male</td>
<td>PhD Student, Masters in Tourism Management, Bachelor’s degree in Law</td>
<td>Owner of a Tour and Travel Agency</td>
<td>Kigali-Nyarugenge District</td>
</tr>
<tr>
<td>IT4</td>
<td>54</td>
<td>Male</td>
<td>Bachelor’s degree in Management</td>
<td>Owner of a Motel and Tour and Travel Agency, senior member of the Rwandan Chamber of Tourism</td>
<td>Kigali-Nyarugenge District</td>
</tr>
<tr>
<td>IT5</td>
<td>43</td>
<td>Female</td>
<td>Bachelor’s degree in Hotel Management</td>
<td>Owner of a Travel and Tour Company</td>
<td>Kigali-Kicukiro District</td>
</tr>
<tr>
<td>IT6</td>
<td>56</td>
<td>Male</td>
<td>Bachelor’s degree in Criminology Sciences</td>
<td>Owner of a Hotel and senior member of the Rwanda Hospitality Association, and member of the Rwandan Chamber of Tourism</td>
<td>Kigali-Gasabo District</td>
</tr>
<tr>
<td>IT7</td>
<td>39</td>
<td>Female</td>
<td>Bachelor’s degree in Business Management</td>
<td>Senior policy-maker and senior staff at RDB</td>
<td>Kigali-Gasabo District</td>
</tr>
<tr>
<td>IT8</td>
<td>44</td>
<td>Male</td>
<td>Diploma in Hotel Management</td>
<td>CEO of a Hotel</td>
<td>Kigali-Nyarugenge District</td>
</tr>
<tr>
<td>IT9</td>
<td>48</td>
<td>Female</td>
<td>Masters in Management</td>
<td>Director in the Ministry of Trade and Industry</td>
<td>Kigali city</td>
</tr>
<tr>
<td>IT10</td>
<td>41</td>
<td>Male</td>
<td>PhD Student, Master’s, a member of district Council</td>
<td>Lecturer at University</td>
<td>Rubavu District</td>
</tr>
</tbody>
</table>
Summary

Entrepreneurialism in Tourism and Economic Growth in Rwanda: Challenges for Policy Formulation

Introduction

Entrepreneurialism in tourism has attracted the attention of many worldwide, and is considered an avenue for economic growth and a boost for entrepreneurs (Ateljevic & Page, 2009:1). A majority of African governments view tourism as a source of growth and economic diversification (UNWTO, 2012:1). However, studies incorporating entrepreneurialism in tourism remain largely neglected in academic research arena (Ioannides & Petersen, 2003; Li, 2008; Thomas, 2004). This research seeks to assess issues critical to entrepreneurialism in tourism and subsequent economic growth, an untapped area for academic research, particularly in Rwanda.

The study is conducted in Rwanda, where entrepreneurialism in tourism is an area for policy support and a possible strategy for developing countries in order to increase the quantity and quality of entrepreneurs, since the related results stimulate economic growth. The tourism sector in Rwanda has been the top foreign earner income and holds tremendous economic promise, though its full potential is yet to be exploited. The research focuses on entrepreneurs operating in the Kigali Hub, Rwanda’s capital; Volcano and Rubavu Development Management Areas (DMAs), located, respectively, in the Northern and Western provinces; selected areas of study that comprise more than 90% of total revenues generated from all tourism activities in Rwanda (UNWTO-STMP, 2009:65).

The study explores the multiple ways entrepreneurs and policy-makers engage with tourism business opportunities and policy formulation for the development of the tourism business in Rwanda. While international competition mainly driven by globalization and technology is growing among tourism destinations (UNWTO, 2011), effective tourism entrepreneurship skills, including knowledge of trends shaping tourist behavior, is of crucial importance for both tourism development and economic growth of Rwanda. According to Honey (2003), entrepreneurs are recognized as major instigators and substantial business development in tourism industry. From the perspective of entrepreneurialism, tourism may provide unique contexts in terms of the identification of entrepreneurial opportunities up to the devel-
Entrepreneurialism in tourism and economic growth in Rwanda

Development of consumable tourism products with economic yields. However, tourism in many countries still suffers from a lack of political will and macroeconomic-conducive policies that hamper it from showing its true economic significance (Ateljevic and Page, 2009:17). This constitutes, for the past few decades, one of the central debates of public policy, common among all economies, with regards to the generation of growth and the creation of employment. A rich body of literature reviewed, both theoretical and empirical, suggests policies that generate and promote entrepreneurship (OECD, 1998; Yu, 1998; Holcombe, 1998). They affirm that countries that have experienced an increase in entrepreneurial activity have also enjoyed higher rates of economic growth. Furthermore, Audresch (2005) affirms that entrepreneurship serves as a vehicle for innovation and change, and a conduit for knowledge spillovers.

In this vein, for the last two decades, Rwanda embraced a new economic development model which is centered on building a global network of powerful friends to lure private investments, bring structural macroeconomic reforms, and market Rwanda to the rest of the world. The newness of this model consists of bypassing the traditional economic model, through building relationships with a global network of business leaders and well-placed friends. This strategy has worked well and has helped Rwanda to lure more tourists and attract foreign investments to Rwanda, such as international brand hotels, like eco-lodge in Nyungwe Forest by Dubai World, Marriott Hotels, and Radisson Blu hotels, Kempiski group of Hotels, Serena group of Hotels, etc. This has boosted economic growth and increased investments in the areas of tourism development.

Literature review

The study reviewed a scant literature existing on entrepreneurialism in tourism and economic growth, and revealed that there exists a link between tourism entrepreneurship and economic growth. It showed critical and central role tourism entrepreneurs and policy-makers play in boosting economic growth through policy intervention, institutional and entrepreneurial capacities development of entrepreneurs, and improved macroeconomic conditions. This was a result of the role played by entrepreneurship leadership as a catalyst for building a strong tourism industry, facilitated by networks and collaborations between key players locally, regionally, and internationally.

Despite the tourism potential and generally optimistic outlook of tourism sector in Rwanda, there are still several factors that hinder the development of a strong and competitive tourism industry. This research aims at
finding out what contribution entrepreneurialism in tourism plays and the role of entrepreneurs and policy-makers can have on the economic growth of Rwanda.

In Rwanda, scant existing researches on SMEs indicate that lack of many entrepreneurial activities is a major challenge for SMEs in terms of supporting potential growth. In addition, a lack of appropriate skills and entrepreneurship policy that may shape the overall macroeconomic environment and ever-changing tourism business, in line with the tourism consumer's behavior, remains a serious threat for the development of tourism. Rwanda's services provision remains suboptimal and is delivered at a high cost compared to its counterparts in the region, making the tourism sector less competitive. Various regulatory and policy shortcomings prevail and may explain these inefficiencies and impede Rwanda's capacity to fully capitalize on the potential of its tourism sector that may play an enhanced role in the economic growth process. The above policy disconnects are serious constraints that need more comprehensive and holistic approaches for enhancing the entrepreneurial skills and competencies of potential, nascent, and current entrepreneurs and policy-makers. Development of appropriate policies and skills within the context of a conducive, entrepreneurial environment could well trigger an effective set of positive entrepreneurial thinking and behaviors. It is not surprising therefore, that the quality of service is such a major issue in Rwanda and one that may affect the competitiveness of and hinder future growth in the tourism sector. Audretsch and Kielbach, (2005: 605), and Todaro and Smith (2010: 130) state that increased knowledge vis-à-vis entrepreneurship and pro-market government policies may help to overcome such constraints. Carree and Thurik (2002) pinpoint that countries that have shifted towards a greater role for entrepreneurship enjoy stronger growth; this is among the major concerns for the Government of Rwanda (Tourism Policy, 2010: 4). Given the short history of business and the absence of successful business role models, fostering entrepreneurialism in tourism in Rwanda and stimulating the local population to tap into the available entrepreneurial opportunities may contribute to a substantial positive impact and propel economic growth. As such, this thesis is a serious attempt at drawing comprehensive plans for the development of entrepreneurialism in tourism in this area of academic as well as policy interest, in which no empirical research work has so far been done. Being a critical source of income and employment, and the most dominant sector in the Rwandan economy, tourism has become a dynamic driver of national economic growth in recent years. However, it is my assumption that this dynamism could be greater if entrepreneurs together with policy-makers could craft appropriate strategies and policies that can influence, attract,
and intensify experiences of tourists through the provision of expected and accepted quality services.

On the basis of what precedes, the researcher formulated the following research objectives to address the issue under study:

1. To evaluate the current state of entrepreneurial opportunities in tourism and Rwanda’s strategy for boosting its economy;
2. To assess factors affecting entrepreneurialism in Rwanda and the role of policy-makers in tourism entrepreneurship development;
3. To identify the entrepreneurial skills and competencies that Rwandan entrepreneurs need in the tourism sector to drive and elevate income generation, and propel subsequent economic growth;
4. To find out which important policy measures could be put in place to increase the quantity and quality of entrepreneurs’ vis-à-vis the advancement of tourism development and economic growth.

In order to address the above objectives, this study is built around the following main question:

“What are the factors affecting entrepreneurialism tourism in Rwanda, and what, in the view of entrepreneurs and policy-makers, are the policy measures and practical considerations entrepreneurs and policy-makers could put in place to boost entrepreneurship in tourism and propel subsequent economic growth?”

Conceptual framework

In the search for getting more insights in understanding the role of entrepreneurialism in tourism development and in the process of economic growth, this research is informed by the Wennekers and Thurik framework (1999) and the revised Global Entrepreneurship Model (GEM Global). The Wennekers and Thurik framework (1999) critically analyzes the role played by individual entrepreneurs in innovation and creativity, and subsequent economic growth. According to the framework, such growth passes through different conditions such as personal, institutional, and other variables like innovation and creativity, competition, entrepreneurial intention, skills and efforts, etc., that influence tourism entrepreneurial activities and lead to economic growth. In that, the concept of economic growth is relevant at all levels from the individual level, to firms, regions, industries, and nations, and depends on a set of conditions such as the development of institutions supporting tourism business development, tourism business incentives offered, etc. Taking and adapting this entrepreneurship framework and link-
ing it to economic growth leads to linking the individual tourism entrepre-
neurs to the firm and to the macro levels. Lumpkin and Dess (1996:138)
posit that small firms are extensions of the individuals in charge. According
to Lazear (2004: 1), “the entrepreneur is the single most important player
in a modern economy.” At the firm level, this passes through generally in-
novative business start-ups and entry into new markets. At the macro level,
many individual entrepreneurial actions take place, and, through compe-
tition, selection, and even imitation, some ideas are replaced, while oth-
ers survive and expand into new niche markets and industries, and lead to
growth of national economies. In this process, entrepreneurs and manage-
rial business owners and staff play their role, and enable them to increase
their skills and attitudes. The outcome of the above chain of linkages of
tourism entrepreneurship leads to economic growth in various ways, in-
cluding introduction of new tourism products and experience, with new
quality and value. Their innovativeness introduces new ways of product de-
development and new destinations that have not been exploited. It is through
tourism entrepreneurship that new sources of supply and new destinations
are discovered; along with new tourism business companies created that
directly affect economic growth.

With regard to the revised Global Entrepreneurship Model, entrepre-
neurialism is affected by national conditions. The model considers three
major components of entrepreneurialism, such as attitudes, activity, and
aspirations. GEM considers the degree of involvement in entrepreneurial
activity within a country, and identifies different types and phases of entre-
preneurship. While the Wennekers and Thurik model considers only the
conditions of established firms that make them thrive, the GEM adds both
entrepreneurial capacity and entrepreneurial opportunities for new busi-
ness activity. The foundation of this GEM has its roots in the concept that
the contribution of entrepreneurs to an economy varies according to its
phase of economic development. The revised GEM takes into considera-
tion the complexity of the causal relationship between entrepreneurialism
and economic development, and introduces a more nuanced distinction
between phases of economic development in line with Porter’s typology
of “factor-driven economies,” “efficiency-driven economies,” and “innova-
tion-driven economies” (Porter et al., 2002). The GEM’s unique contribu-
tion is to describe and measure, in detail, the conditions under which en-
trepreneurialism and innovation can thrive. In line with the two models,
Rwanda can take full advantage of available opportunities in tourism by
developing “opportunity-driven entrepreneurs” who can innovate while, at
the same time, it facilitates necessity-driven entrepreneurs from the infor-
mal sector to become productive workers in the formal economy.
Methodology

In order to understand and develop insights into the phenomena under study, the researcher has followed a qualitative interpretive approach framed by an acknowledgement of the philosophy that knowledge is socially constructed, and that there can be multiple perspectives on a single subject (Creswell, 2013). Qualitative research methods were therefore deemed appropriate to allow for formalization with the subjects, and the views of interviewees (Berg et al., 2001). In line with this descriptive approach, a questionnaire was also developed to pave the way to semi-structured interviews that were addressed to entrepreneurs and or employees at the level of supervision in the tourism industry, and policy-makers from the three above-mentioned tourism development management areas in Rwanda.

Data construction and analysis methods

The data was gathered from the three development management areas (DMA), namely Kigali hub, volcanoes DMA (located in Musanze District), and Gisenyi DMA (located in Rubavu District), as case studies used for this research, and were chosen using a purposive sampling method, based on the relevance of the groups under study, the research questions, the researcher’s theoretical position, and the explanation that the researcher has developed in chapter one. This approach to case selection has allowed the researcher to choose the above cases because they likely represent the whole country, since most of total revenues (more than 90%) generated from tourism activities relate to the 3 chosen DMAs and acknowledges their importance as popular destinations in Rwanda and existing opportunities for study. This approach aims at interpreting and understanding people’s meanings that are attributed to different contexts and actions, and also it acknowledges an observer as a part of the observed process (Burrell & Morgan, 1985; Sarantakos, 1998). A literature review and a questionnaire that paved the way to a semi structured interview with 9 key players in the tourism sector in Rwanda were applied in answering research questions. At the analysis stage, interview transcripts and literature were content-analyzed by thematically observing the most recurring topics which became the basis for findings and conclusion. INVIVO software was used in the analysis of interview transcripts. Data analysis was done in line with the research questions through both the questionnaires to entrepreneurs and policy-makers and interviews to key informants in the tourism sector and content analysis and discussion of emerging main themes.
Their views are contextualized with reference to the research questions outlined in chapter one, and subsequent chapters two and three. For ease of analysis of field data, cross-case analysis was utilized in this research to facilitate comparison between views from respondent units in order to explore properties of each category (Douglas, 2003). Framework analysis (Ritchie & Spencer, 1994) was adopted as the main analytical method to filter and classify the textual data (transcripts of interviews), while addressing the research questions presented in chapter one. The coded transcripts were used to note and come up with ten major themes that emerged after analysis of the transcripts and that were found in common for each interviewee. This integration of categories and their properties, with respect to different constructs, were grouped together, and the “10 top themes” that emerged from the interviews enabled comparison and analysis, and discussion and interpretation of the phenomena.

Main conclusions

The main conclusions are based on the views of the participants on the main themes captured from their views, in relation to the state of entrepreneurialism in tourism business and Rwanda’s strategy for boosting its economy in general, the role of government’s policies in stimulating tourism business development, the role of entrepreneurs and policy-makers in coordinating and harnessing the regulatory framework to enhance macroeconomic conditions and entrepreneurial skills, and the competencies of key players in the tourism sector in the context of Rwanda. The literature review showed that entrepreneurs are agents of change and research around the globe consistently links tourism with rapid job creation, GDP growth, and long-term productivity increases and that without the influence of entrepreneurs; tourism would not evolve well, even in areas endowed with tourism resources. Thus, the importance of individual entrepreneurs, their attitudes, skills, and purposive activities were found to be instigators of economic growth. Therefore, policies aiming at boosting entrepreneurial capacity may not solely focus on macroeconomic conditions but rather, to a large extent, on the entrepreneurial qualities and skills of the individual entrepreneur. The purposeful action of the entrepreneur is what triggers tourism to develop. A key policy in supporting entrepreneurialism is an important ingredient that can change the current state of tourism and further generate greater added-value to tourism performance and economic growth. In relation to the first objective, tourism is an influencing factor for economic growth.
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In relation to the second objective, it was found that, for Rwanda to harness the potential of its tourism sector, regulations and policies need to better target existing factors underpinning the effective productivity of tourism, including issues of accessibility, lack of coordinated effort and partnership on the part of the key players in the tourism sector (entrepreneurs and policy-makers), quality of service-delivery due to poor cross-functional skills and competencies, limited entrepreneurship and innovation skills among tourism’s key players, affordability, and competition.

In line with the third objective, it was found that Rwanda as an evolving destination requires a set of new skills, technicians, and information systems, people with managerial and entrepreneurial skills, able to run the process of product diversification and high-quality service-delivery. Tourism requires a variety of skills for its diversification and competitiveness with a wider range of innovations along the way - in terms of training and capacity building –being driven by adaptability and sustainability in order to avoid bottlenecks that can adversely affect tourism development.

In relation to the fourth objective, findings revealed that Rwanda still faces policy formulation challenges to generate the increased revenues. Issues still exist on the improvement of leisure markets for extending the length of stay of visitors, skills and competencies development of key stakeholders, and investment incentives and access to financing mainly for local entrepreneurs. The study also found that the general regulatory environment in Rwanda is structured towards large companies believed to have the time and resources to comply. This makes the existing structures a challenge for growing hospitality SMEs, and Rwanda could lose if the tourism SMEs sector is not strengthened. Continued cooperation from policy-makers and entrepreneurs could develop the capabilities of SME operators, an essential ingredient for increasing growth rates in the tourism sector.

Limitations and future research

Currently, much of what is known about entrepreneurialism in tourism vis-à-vis economic growth, management of tourism firms, and business innovations is based on research conducted in Eurocentric economies. Substantially, less is known about entrepreneurialism and management in developing economies, mostly on the African continent, and, in particular, in Rwanda, in terms of the extent to which existing conceptual entrepreneurialism frameworks are applicable in the context of Rwanda. As a result, there is a lack of a solid knowledge base to guide effective interventions of policy-makers aimed at spurring entrepreneurialism and innovation in de-
veloping economies. In an effort to build this knowledge base, this research has contributed to the advancement of general knowledge through this study on entrepreneurialism in tourism in Rwanda and economic growth, and has examined challenges faced by entrepreneurs and policy-makers in shaping tourism entrepreneurship in Rwanda. Economic motives that Rwandan entrepreneurs pursue needs to be deepened by new research that focuses on understanding the interplay of the regional context, in general, and, in particular, the Rwandan context and socioeconomic processes in the tourism business.
Samenvatting

Ondernemerschap in toerisme en economische groei in Rwanda: uitdagingen voor beleidsvorming

Inleiding

Ondernemerschap in het toerisme heeft wereldwijd de aandacht van velen getrokken en wordt gezien als een weg naar economische groei en een stimulans voor ondernemers (Ateljevic & Page, 2009:1). Een meerderheid van de Afrikaanse overheden ziet toerisme als een bron van groei en economische diversificatie (UNWTO, 2012:1). Onderzoeken waarin ondernemerschap in het toerisme een rol speelt, worden echter in de academische onderzoeks wereld nog grotendeels genegeerd (Ioannides & Petersen, 2003; Li, 2008; Thomas, 2004). In dit onderzoek worden kwesties geëvalueerd die essentieel zijn voor het ondernemerschap in het toerisme en de daaruit voortvloeiende economische groei, een onderwerp waarnaar vooral in Rwanda nog nauwelijks academisch onderzoek is gedaan.

De studie is uitgevoerd in Rwanda, waar ondernemerschap in het toerisme een gebied voor beleidsondersteuning is en wordt gezien als een mogelijke strategie waarmee ontwikkelingslanden de kwaliteit en kwantiteit van ondernemers kunnen vergroten, aangezien de resultaten economische groei stimuleren. De toerismesector in Rwanda is de grootste bron van buitenlandse inkomsten en heeft een enorm economisch potentieel, dat echter nog niet volledig wordt benut. Het onderzoek richt zich op ondernemers die actief zijn in en om de Rwandese hoofdstad Kigali en in de Development Management Areas (DMA’s) Volcanoes en Rubavu, die respectievelijk in de noordelijke en westelijke provincie liggen – geselecteerde studiegebieden die meer dan 90% van de totale inkomsten uit toeristische activiteiten in Rwanda genereren (UNWTO-STMP, 2009:65).

De studie verkent de verschillende manieren waarop ondernemers en beleidsmakers omgaan met de kansen in de toerismebranche en de beleidsvorming voor de ontwikkeling van de toerismebranche in Rwanda. Nu de internationale concurrentie tussen toeristische bestemmingen vooral onder invloed van globalisering en technologie toeneemt (UNWTO, 2011), zijn effectieve toeristische ondernemersvaardigheden – waaronder kennis van de trends die het gedrag van toeristen bepalen – van cruciaal belang voor zowel de ontwikkeling van het toerisme als de economische groei in Rwanda.

In dit verband heeft Rwanda de afgelopen twintig jaar een nieuw economisch ontwikkelingsmodel omarmd dat draait om het opbouwen van een wereldwijd netwerk van machtige vrienden om particuliere investeerders te lokken, structurele macro-economische hervormingen te bewerkstelligen en Rwanda in de rest van de wereld in de markt te zetten. Het nieuwe van dit model zit hem in het omzeilen van het traditionele economische model, door relaties op te bouwen met een wereldwijd netwerk van zakelijke leiders en hooggeplaatste vrienden. Deze strategie heeft goed gewerkt en heeft Rwanda geholpen meer toeristen te trekken en buitenlandse investeringen in Rwanda te stimuleren. Voorbeelden hiervan zijn internationale hotelketens zoals de eco-lodge in Nyungwe Forest door Dubai World, Marriott Hotels en Radisson Blu hotels, de hotelketens Kempiski en Serena enzovoort. Dit heeft de economische groei opgestuwd en gezorgd voor meer investeringen in de ontwikkeling van het toerisme.

**Literatuuronderzoek**

Het onderzoek heeft de weinige literatuur die beschikbaar is over ondernemerschap in het toerisme en economische groei bestudeerd en daaruit bleek dat er een verband bestaat tussen ondernemerschap in het toerisme en economische groei. Uit de literatuur blijkt dat ondernemers in de toerismesector en beleidsmakers een belangrijke en centrale rol spelen in het stimuleren van economische groei door middel van beleidsinterventie, de ontwikkeling van
de institutionele en ondernemersvaardigheden van ondernemers en de verbetering van de macro-economische omstandigheden. Dit was een resultaat van de rol die zakelijk leiderschap speelde als katalysator voor het opbouwen van een sterkere toerismebranche, mogelijk gemaakt door netwerken en samenwerkingen tussen belangrijke spelers op lokaal, regionaal en internationaal niveau.

Ondanks het toeristische potentieel en het in het algemeen optimistische beeld van de toerismesector in Rwanda zijn er nog altijd verschillende factoren die de ontwikkeling van een sterke en concurrerende toerismebranche in de weg staan. Het doel van dit onderzoek is uitvinden welke bijdrage ondernemerschap in het toerisme levert en welke rol ondernemers en beleidsmakers kunnen spelen voor de economische groei van Rwanda.

In Rwanda volgt uit de weinige onderzoeken die zijn uitgevoerd naar het MKB dat het ontbreken van veel ondernemersactiviteiten een grote uitdaging vormt voor het MKB als het gaat om het ondersteunen van potentiële groei. Daarnaast blijft een gebrek aan passende vaardigheden en beleid op het gebied van ondernemerschap een ernstige bedreiging vormen voor de ontwikkeling van het toerisme; beleid dat ervoor moet zorgen dat het algemene macro-economische klimaat en de snel veranderende toerismebranche het gedrag van consumenten in het toerisme weerspiegelen. De dienstverlening in Rwanda is nog steeds niet optimaal en is bovendien duur in vergelijking met andere landen in de regio, waardoor toerismesector minder concurrerend is. Er blijven diverse tekortkomingen op het gebied van regelgeving en beleid bestaan, die deze inefficiënties mogelijk kunnen verklaren. Rwanda kan hierdoor niet optimaal profiteren van het potentieel van de toerisme-sector, die een grotere rol zou kunnen spelen in het proces van economische groei. De genoemde beleidsfouten zijn ernstige beperkingen, en er is een uitgebreidere en meer holistische aanpak nodig om de ondernemersvaardigheden en -competenties van potentiële, beginnende en bestaande ondernemers en beleidsmakers te verbeteren. De ontwikkeling van passend beleid en passende vaardigheden binnen de context van een bevorderend, ondernemend klimaat zou de aanzet kunnen vormen voor enkele effectieve, positieve, zekere denk- en gedragswijzingen. Het is daarom niet verrassend dat de kwaliteit van de dienstverlening zo'n groot probleem is in Rwanda, dat van invloed kan zijn op het concurrentievermogen en de toekomstige groei in de toerisme-sector in de weg kan staan. Audretsch en Kielbach, (2005: 605) en Todaro en Smith (2010: 130) stellen dat betere kennis over ondernemerschap en een meer marktgericht overheidsbeleid zouden kunnen helpen dergelijke beperkingen weg te nemen. Carree en Thurik (2002) stellen nauwkeurig vast dat landen waar het ondernemerschap een grotere rol heeft gekregen, profiteren van een sterkere groei; dit is een van de grootste punten van zorg voor de re-
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gering van Rwanda (Tourism Policy, 2010: 4). Gezien de korte geschiedenis van het bedrijfsleven en het ontbreken van succesvolle zakelijke voorbeelden zou het koesteren van ondernemerschap in het toerisme in Rwanda en het stimuleren van de lokale bevolking om gebruik te maken van de bestaande ondernemerskansen een bijdrage kunnen leveren aan een substantieel positief effect en de economische groei vooruit kunnen helpen. Als zodanig is dit proefschrift een serieuze poging tot het opstellen van uitgebreide plannen voor de ontwikkeling van ondernemerschap in het toerisme op dit zowel voor de wetenschap als de beleidswelde relevante gebied, waarin tot nu toe geen empirisch onderzoek heeft plaatsgevonden. Als een essentiële bron van inkomsten en werkgelegenheid en de meest dominante sector in de Rwandese economie is het toerisme de afgelopen jaren een dynamische motor achter de nationale economische groei geworden. Ik vermoed echter dat deze dynamiek sterker zou kunnen zijn als ondernemers samen met beleidsmakers passende strategieën en beleidsmaatregelen zouden ontwikkelen die leiden tot nieuwe, betere en intensievere ervaringen van toeristen door de levering van diensten met de verwachte en geaccepteerde kwaliteit.

Op basis van het voorgaande heeft de onderzoeker de volgende onderzoeksdoelstellingen geformuleerd om de betreffende kwestie aan te pakken:
1 De huidige stand van zaken evalueren met betrekking tot de ondernemerskansen in het toerisme en de strategie van Rwanda voor het stimuleren van zijn economie;
2 Factoren beoordelen die van invloed zijn op het ondernemerschap in Rwanda en de rol van beleidsmakers in de ontwikkeling van ondernemerschap in het toerisme;
3 De ondernemersvaardigheden en -competenties identificeren die Rwandese ondernemers in de toerismesector nodig hebben om meer inkomsten te genereren en vervolgens de economische groei te stimuleren;
4 Vaststellen welke belangrijke beleidsmaatregelen zouden kunnen worden genomen om de kwaliteit en kwantiteit van de ondernemers te vergroten als het gaat om het bevorderen van de ontwikkeling van het toerisme en economische groei.

Om de bovengenoemde doelstellingen te kunnen realiseren, is dit onderzoek opgezet rondom de volgende hoofdvraag:

“Welke factoren zijn van invloed op het ondernemerschap in het toerisme in Rwanda en welke beleidsmaatregelen en praktische overwegingen zijn volgens de ondernemers en beleidsmakers nodig om het ondernemerschap in het toerisme te stimuleren en de daaruit voortvloeiende economische groei te bevorderen?”
Conceptueel kader


Methodologie

Om begrip en inzicht te verkrijgen in de bestudeerde verschijnselen heeft de onderzoeker een kwalitatieve interpreterende benadering gevolgd die is ingekaderd door het filosofische besef dat kennis maatschappelijk geconstrueerd is en dat er meerdere perspectieven kunnen bestaan op één enkel onderwerp (Creswell, 2013). Kwalitatieve onderzoeksmethoden werden daarom passend geacht om formalisering met de onderwerpen en de meningen van de geïnterviewden mogelijk te maken (Berg et al., 2001). In overeenstemming met de beschrijvende benadering is ook een vragenlijst ontwikkeld ter voorbereiding op semi-gestructureerde interviews gericht aan ondernemers en medewerkers op leidinggevend niveau in de toerismebranche en aan beleidsmakers uit de drie genoemde toeristische Development Management Areas in Rwanda.
De gegevens werden verzameld in de drie Development Management Areas (DMA's), namelijk de regio Kigali, DMA Volcanoes (in het district Musanze) en DMA Gisenyi (in het district Rubavu), die als case studies werden gebruikt voor dit onderzoek. Ze zijn gekozen door middel van een doelgerichte steekproefmethode op basis van de relevantie van de bestudeerde groepen, de onderzoeksvragen, het theoretische standpunt van de onderzoeker en de verklaring die de onderzoeker heeft ontwikkeld in hoofdstuk 1. Deze benadering stelde de onderzoeker in staat de bovenstaande casussen te selecteren omdat die waarschijnlijk het hele land vertegenwoordigen, aangezien het grootste deel van de totale opbrengsten (meer dan 90%) die worden gegenereerd met toeristische activiteiten afkomstig zijn uit de drie gekozen DMA's, en doet recht aan hun belang als populaire bestemmingen in Rwanda en bestaande kansen voor onderzoek. Deze benadering is bedoeld om de meningen van mensen die worden toegeschreven aan verschillende contexten en handelingen te interpreteren en begrijpen en houdt ook rekening met een waarnemer als onderdeel van het waargenomen proces (Burrell & Morgan, 1985; Sarantakos, 1998). Om de onderzoeksvragen te beantwoorden is gebruikgemaakt van een literatuuronderzoek en een vragenlijst als voorbereiding op een semi-gestructureerd interview met negen belangrijke spelers in de toerisme-sector in Rwanda. In de analysefase zijn de transcripties van de interviews en de literatuur inhoudelijk geanalyseerd door thematisch de meest voorkomende onderwerpen vast te stellen, die de basis hebben gevormd voor de bevindingen en conclusie. Er is gebruikgemaakt van INVIVO-software voor het analyseren van de transcripties van de interviews. Er heeft gegevensanalyse plaatsgevonden in overeenstemming met de onderzoeksvragen via de vragenlijsten voor ondernemers en beleidsmakers en de interviews met sleutelinformanten in de toerisme-sector, en inhoudelijke analyse en bespreking van naar voren komende hoofdthema's.

Hun visies zijn in de context geplaatst met verwijzing naar de onderzoeksvragen die in hoofdstuk 1 en verder in de hoofdstukken 2 en 3 uiteen zijn gezet. Om de analyse van de praktijkgegevens te vereenvoudigen, is in dit onderzoek gebruikgemaakt van cross-case analysis om de meningen van de groepen respondenten beter te kunnen vergelijken teneinde inzicht te krijgen in de eigenschappen van elke categorie (Douglas, 2003). Er is gebruikgemaakt van kaderanalyse (Ritchie & Spencer, 1994) als de voornaamste analysemethode om de tekstuele gegevens (transcripties van interviews) te filteren en in te delen bij het beantwoorden van de in hoofdstuk 1 gepresenteerde onderzoeksvragen. De gecodeerde transcripties zijn gebruikt om tien hoofdthema's af te leiden en te formuleren die naar voren kwamen bij het analyseren
van de transcripties, en die alle geïnterviewden met elkaar gemeen hadden. Deze categorieën en de eigenschappen daarvan werden gegroepeerd, rekening houdend met verschillende concepties, en de tien belangrijkste thema’s die uit de interviews naar voren kwamen maakten vergelijking en analyse, en bespreking en interpretatie van de verschijnselen mogelijk.

Hoofdconclusies

De hoofdconclusies zijn gebaseerd op de meningen van de deelnemers over de hoofdthema’s (die zijn gedeelde uit hun meningen) met betrekking tot de stand van zaken van het ondernemerschap in de toerismebranche en de strategie van Rwanda voor het stimuleren van zijn economie in het algemeen, de rol van het overheidsbeleid in het stimuleren van de ontwikkeling van de toerismebranche, de rol van ondernemers en beleidsmakers in het coördineren en gebruiken van het regelgevingskader voor het verbeteren van de macro-economische omstandigheden en ondernemersvaardigheden en de competenties van de voornaamste spelers in de toerismebranche in de context van Rwanda. Uit het literatuuronderzoek bleek dat ondernemers veranderingen op gang brengen, en onderzoek uit de hele wereld toont aan dat toerisme verband houdt met een snelle toename van de werkgelegenheid, stijging van het BNP en verhoging van de productiviteit op de lange termijn. Zonder de invloed van ondernemers kan het toerisme zich niet goed ontwikkelen, zelfs niet in gebieden met veel aantrekkelijke toeristenbestemmingen. Hieruit blijkt het belang van individuele ondernemers, die met hun attitudes, vaardigheden en doelgerichte activiteiten de motor zijn achter economische groei. Beleid dat gericht is op het bevorderen van de ondernemerscapaciteit moet daarom niet alleen toegespitst zijn op macro-economische omstandigheden, maar zou juist voor een groot deel gericht moeten zijn op de ondernemerskwaliteiten en -vaardigheden van de individuele ondernemer. Het doelgerichte handelen van de ondernemer leidt tot ontwikkeling van het toerisme. Een effectief beleid voor het ondersteunen van ondernemerschap is een belangrijk ingrediënt dat de huidige staat van het toerisme kan veranderen en meer toegevoegde waarde kan genereren voor de prestaties op het gebied van toerisme en de economische groei. Met betrekking tot de eerste doelstelling is het toerisme een invloedrijke factor voor economische groei. Met betrekking tot de tweede doelstelling is vastgesteld dat, wil Rwanda het potentieel van zijn toerismebranche kunnen benutten, de regelgeving en het beleid beter gericht moeten zijn op de bestaande factoren die ten grondslag liggen aan effectieve productiviteit in het toerisme. Dit betreft bijvoorbeeld problemen op het gebied van toegankelijkheid, gebrek aan gecoördineerde inspanningen en samenwerking tussen de voornaamste spelers in de
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toerismesector (ondernemers en beleidsmakers), kwaliteit van de dienstverlening als gevolg van gebrekkige functieoverschrijdende vaardigheden en competenties, beperkte ondernemers- en innovatievaardigheden onder de belangrijke spelers in het toerisme, betaalbaarheid en concurrentie.

Met betrekking tot de derde doelstelling is geconstateerd dat Rwanda als opkomende bestemming behoefte heeft aan nieuwe vaardigheden, technici en informatiesystemen, mensen met bestuurs- en ondernemersvaardigheden die het proces van productdiversificatie kunnen leiden en hoogwaardige dienstverlening. Toerisme vereist diverse vaardigheden voor de diversificatie en het concurrentievermogen, met een breder scala aan innovaties als het gaat om scholing en capaciteitsopbouw, aangedreven door aanpassingsvermogen en duurzaamheid om knelpunten die de toeristische ontwikkeling kunnen schaden te vermijden.

Met betrekking tot de vierde doelstelling blijkt uit de bevindingen dat Rwanda nog steeds te maken heeft met uitdagingen op het gebied van beleidsvorming die het genereren van hogere inkomsten in de weg staan. Er bestaan nog steeds problemen voor de verbetering van de recreatiemarkten als het gaat om het verlengen van de verblijfsduur van bezoekers, de ontwikkeling van vaardigheden en competenties van essentiële belanghebbenden en investeringsstimulansen en toegang tot financiering voor vooral lokale ondernemers. Uit het onderzoek bleek ook dat het algemene regelgevingsklimaat in Rwanda gestructureerd is rondom grote ondernemingen waarvan wordt aangenomen dat ze de tijd en middelen hebben om aan de regels te voldoen. Dit maakt de bestaande structuren lastig voor groeiende kleine en middelgrote horecabedrijven en het kan nadelig zijn voor Rwanda als het MKB binnen de toerismesector niet wordt versterkt. Door middel van voortdurende samenwerking tussen beleidsmakers en ondernemers kunnen de competenties in het MKB worden verbeterd, en dat is essentieel om de groei in de toerismesector te vergroten.

Beperkingen en verder onderzoek

Op dit moment is een groot deel van de kennis op het gebied van ondernemerschap in het toerisme in relatie tot economische groei, management van toeristische ondernemingen en zakelijke innovaties gebaseerd op onderzoek dat is uitgevoerd in Eurocentrische economieën. Er is aanzienlijk minder bekend over ondernemerschap en management in ontwikkelende economieën, vooral op het Afrikaanse continent en in het bijzonder in Rwanda, als het gaat om de mate waarin bestaande conceptuele kaders op het gebied van ondernemerschap van toepassing zijn op de situatie in Rwanda. Als gevolg daarvan ontbreekt een solide kennisbasis als leidraad voor effectieve inter-
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Venties van beleidsmakers voor het stimuleren van ondernemerschap en innovatie in ontwikkelende economieën. In een poging deze kennisbasis op te bouwen, heeft dit onderzoek bijgedragen aan de verbetering van de algemene kennis door het bestuderen van ondernemerschap in het toerisme in Rwanda en economische groei en het analyseren van de uitdagingen waarmee ondernemers en beleidsmakers te maken hebben bij het vormgeven van ondernemerschap in het toerisme in Rwanda. De economische doelstellingen die de Rwandese ondernemers nastreven moeten nader worden bekeken in een nieuw onderzoek dat gericht is op het begrijpen van de wisselwerking tussen de regionale context in het algemeen en de Rwandese context in het bijzonder en de sociaal-economische processen in de toerismebranche.
Curriculum Vitae

Callixte Kabera was born on 14th October 1966 in Kirehe District, Eastern Province, Rwanda. In 1987, he completed his secondary school in Minor Seminar of Zaza-Rwanda. Thereafter, he became a teacher in JOC secondary School. After 2 years, he started his professional Diploma in Financial Control at Superior Institute of Public Finance in Kigali, which was completed in 1992. Thereafter, he worked in the Ministry of Finances and economic planning in the Budget Division up to 1994. From 1995-1998, he was employed by King Fayçal Hospital as a Director in Charge of Finance and Administration and from 1998-2001, he worked for CAMERWA ASBL (a National centre for Purchasing and distributing drugs in Rwanda). In 1998, he started a degree in economic sciences and Management at Independent University of Kigali that he completed with a Bachelors Degree with Honors in 2002. From 2003, he was appointed General Managing Director of GECI, SARL, a private company specialized in imports and exports and international transport and logistics. From 2003, he worked as Freelant consultant with Lahmeyer International (Germany-based consultant firm managing a National Electricity Company) as a senior auditor/senior Accountant and from 2004; he became Chief Financial Officer in the same Company until November 2007. From November 2007 up to now, he is the Vice Chancellor of University of Tourism, Technology and Business Studies since its start in 2007 and has been recently appointed Lecturer. For the last 29 years, Callixte KABERA has got a wealth of experience by working at senior positions in private, semi-public and public institutions. His experience includes teaching, Management and executive tasks. Under his leadership, UTB got accreditation and degree awarding powers. The University has grown up in scope and got so many academic programs accredited by Rwandan Higher Education Council. The University has an extensive network of more than a dozen of sister universities and professional bodies across the world. Callixte Kabera has elaborated the project outlines for capacity building for UTB to NUFFIC whose outcomes was the 4 years
project financed by NUFFIC and other projects on entrepreneurship coalition financed by NUFFIC and SPARK, a Netherlands based NGO, and other micro scholarship programs financed by American Embassy in Kigali in addition to the establishment of the American corner in UTB second campus based in Rubavu/ Western province of Rwanda. From 2011 to 2016, Callixte Kabera pursued his PhD studies at the Vrije Universiteit Amsterdam. The project was under the sponsorship of the NUFFIC which was administered by the VU Center for International Cooperation (CIS). During this period, Callixte Kabera presented two conference papers, one journal article, one book Chapter and supervised more than 20 dissertations yearly at undergraduate level, and various dissertations at Masters Level. He has hands-on experience in curriculum development, extensive networks in both academic world and tourism and hospitality industry and works closely with Government institutions and NGOs. He has a passion for Finance and a focus for economic and entrepreneurship and active coach of business start-ups for BIDnet in Rwanda (Netherlands-based NGO supporting private initiatives in Entrepreneurship).