Tourism in Zanzibar: Challenges for pro-poor growth

Turismo em Zanzibar: desafios para o crescimento econômico pró-pobre
Turismo en Zanzíbar: desafíos para el crecimiento económico favorable a los pobres

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Resumo: Embora o turismo em Zanzibar sofra uma rápida expansão na última década, isso não tem sido acompanhado pelo crescimento econômico pró-pobre. Embora o turismo tenha trazido benefícios - como divisas, oportunidades de emprego e desenvolvimento de infraestrutura - também causou impactos negativos, inclusive, a degradação ambiental e social de conflitos entre investidores e comunidades locais sobre a exploração de recursos. Este trabalho revisa a literatura disponível sobre o desenvolvimento do turismo em Zanzibar e seu impacto na redução da pobreza e conclui que, apesar dos esforços do governo, o setor de turismo tem poucas ligações com a economia local e, assim, tem um impacto limitado na redução da pobreza. Algumas das razões para essa falha são os interesses econômicos de investidores ricos e funcionários do governo, a corrupção generalizada e a falta de políticas que ligam as comunidades locais com o turismo. Se não forem introduzidas e aplicadas rapidamente as políticas pró-pobre do turismo, não só serão prejudicados seriamente os esforços para reduzir a pobreza, mas também põe em risco o futuro do turismo em Zanzibar.

Palavras-chave: Crescimento econômico pró-pobre; Indústria do turismo; Zanzibar; Redução da pobreza; Governo.

Abstract: While tourism in Zanzibar has experienced rapid expansion in the last decade, this has not been accompanied by pro-poor growth. Although tourism has brought benefits – such as foreign exchange income, employment opportunities, and infrastructure development – it has also caused negative impacts, including social problems, environmental degradation, and conflicts between investors and local communities regarding resource exploitation. This paper reviews the literature available on tourism development in Zanzibar and its impact on poverty reduction and concludes that, despite the efforts of the government, the tourism sector has few linkages with the local economy and therefore, has a limited impact on poverty reduction. Some of the reasons behind this failure include the economic interests of wealthy investors and certain government officials, widespread corruption, and lack of policies connecting local communities with the tourism sector. If pro-poor tourism policies are not introduced and applied soon, not only poverty reduction efforts will be seriously undermined but also the future of the tourism sector in Zanzibar will be put in jeopardy.

Keywords: Pro-poor growth; Tourism industry; Zanzibar; Poverty reduction; Government.

Resumen: Mientras que el turismo en Zanzíbar ha experimentado una rápida expansión en la última década, este no ha sido acompañado por un crecimiento económico favorable a los pobres. Aunque el turismo ha traído beneficios - ingreso de divisas, oportunidades de empleo y desarrollo de infraestructura - también ha causado impactos negativos, entre ellos problemas sociales, degradación ambiental y conflictos entre inversionistas y comunidades locales con respecto a la explotación de recursos. En este trabajo se revisa la literatura disponible sobre el desarrollo del turismo en Zanzíbar y su impacto en la reducción de la pobreza y concluye que, a pesar de los esfuerzos del gobierno, el sector turístico tiene pocos vínculos con la economía local y, por tanto, tiene un impacto limitado en la reducción de la pobreza. Algunas de las razones de este fracaso son los intereses económicos de los inversores ricos y algunos funcionarios del gobierno, la corrupción generalizada y la falta de políticas que conectan a las comunidades locales con el sector turístico. Si no se introducen y aplican pronto políticas de turismo favorables a los pobres, no sólo se verán seriamente socavados los esfuerzos por reducir la pobreza, sino también se pone en peligro el futuro del sector turístico en Zanzíbar.

Palavras clave: Crecimiento económico favorable a los pobres; Industria del turismo; Zanzíbar; Reducción de la pobreza; Gobierno.
Introduction

For many developing countries, tourism is a significant source of foreign exchange and an important GDP contributor. Bearing in mind its importance, tourism has been increasingly viewed as a tool to achieve the first goal of the Millennium Development Goals (MDGs), i.e. the eradication of extreme poverty and hunger. Although it is not a panacea for economic development and faces similar constraints with other economic sectors – taxation, regulations, security issues – pro-poor tourism is considered as having particular characteristics that enhance its potential contribution to pro-poor growth and poverty alleviation (PRO-POOR TOURISM PARTNERSHIP, 2004).

This paper deals with the tourism industry in Zanzibar and its impact on poverty reduction. The impressive development of the tourism industry in Zanzibar during the last decade has brought a series of benefits – such as employment and infrastructure improvement – but also a series of challenges, including negative social impacts and environmental degradation. Overall, it is argued that the tourism sector in Zanzibar has been largely disorganised and focussed on satisfying the economic interests of foreign investors. As a result, tourism development has had little impact on poverty reduction and has established few links with the local economy (ANDERSON; JUMA, 2011; SNV-VSO-ZATI, 2010; TOURISM CONCERN, 2008; ZANZIBAR BUSINESS COUNCIL, 2009).

This paper is based on literature concerning the tourism sector in Zanzibar, and its links with the local economy and pro-poor growth. A number of reports, data, and research from various sources – including government, private sector, and NGOs – are employed in order to shed light on the Zanzibari economy, the importance of tourism for the economy, and the challenges tourism poses for the islands’ poverty reduction efforts. The main value of the paper lies in the fact that it attempts to capture the impact of the tourism industry on Zanzibar by looking at three dimensions: a) economic impacts; b) social impacts; and c) environmental impacts. It is argued that the main reasons behind the failure of the tourism sector to establish links with local communities and help address poverty reduction issues are widespread corruption, inability of the Zanzibari government to introduce and enforce laws, low skill levels of local people, and economic interests of rich, foreign investors and certain local officials.

The paper begins with literature review regarding tourism and pro-poor growth, which is followed by information on the Zanzibari tourism industry. Next, the paper presents the methodology employed, and proceeds to the presentation and analysis of the data concerning tourism development and poverty, especially in connection to economic, social, and environmental impacts. The paper finishes with final comments on the relationship between the tourism sector and pro-poor growth in Zanzibar.

Literature review: tourism and pro-poor growth

Pro-poor tourism is defined as “tourism that generates net benefits for the poor. [These] benefits may be economic, but they may also be social, environmental or cultural” (ASHLEY ET AL., 2001, p. 2). Tourism can be characterised as pro-poor if it provides: a) economic gain; b) employment; c) opportunities for small and medium-size enterprises (SMEs); d) infrastructure; e) protection of natural and cultural resources; and f) opportunities and capacity for the poor to improve their livelihoods (ADB, 2005; BROHMAN, 1996; COLE, 2006; HALL; BROWN, 2006; SCHEYVENS, 2007;
HARRISON, 2008). Pro-poor tourism focuses on the developing world with the main emphasis on poverty; poverty reduction in this context is the focus and not one of the elements of (mainly environmental) sustainability.

During the 1980s and 1990s, mass tourism was heavily criticised as an example of the ills of dependency and globalisation, since it served the interests of rich investors while the poor reaped very few benefits (ASHLEY; MITCHELL, 2005). More recent studies though suggest that tourism has a higher potential for reducing poverty in comparison to other economic sectors, since it is a more diverse industry where many groups can participate and gain benefits, including disadvantaged groups, such as the poor, women, and semi-skilled or unskilled people (CHOK et al., 2007; ROE; KHANYA, 2001). Furthermore, tourism is considered one of the few export / service sectors where developing countries have or can obtain a competitive advantage through their assets, such as scenery, wildlife, and culture, to which the poor have often access (PRO-POOR TOURISM PARTNERSHIP, 2004).

However, in order for tourism to play an important role in poverty reduction, especially in developing countries, it needs to become integrated in the local economy and serve as a development tool for other local economic activities, especially agriculture (ANDERSON; JUMA, 2011). This, nevertheless, is not an easy task: many developing countries already face serious obstacles to the development of their tourism industry. These obstacles include structural constraints (lack of infrastructure, unskilled human capital, leakages, and poor linkages with the local economy) as well as shock factors (economic and environmental factors, political instability, and other safety issues) (GEROSA, 2003).

Besides these obstacles, studies have indicated a number of factors that impede tourism from having a significant and positive impact on poverty reduction (TELFER, 2000; TORRES, 2002). These challenges can be grouped into three categories: a) demand-related challenges: these relate mostly to hotels’ requirements for high-quality products, that small local providers – often lacking technical and managerial experience – are unable to meet; b) supply-related challenges: the supply of local products to hotels can be hindered by factors, such as scale of production, accessibility of local supplies, lack of information, price of local produce, terms of payment, marketing-related constraints, and mistrust; and c) institutional and legal challenges: these include aspects, such as weak market links, failure to promote local products, and inability of local suppliers to meet legal quality standards (ANDERSON; JUMA, 2011).

Despite the benefits that the tourism sector can offer, tourism is often associated with negative impacts, the seriousness of which depends on factors, such as characteristics of particular countries, national policies, and type of tourism. The negative effects can be economic (increase in prices, infrastructure costs, economic dependency, leakage, seasonality), socio-cultural (loss of authenticity, cultural exploitation, crime, child labour, social stress, sex tourism), and environmental (land degradation, air pollution and noise, deforestation, alteration of ecosystems, solid waste and littering, sewage, water pollution) (GEROSA, 2003).

In order to avoid these negative impacts and promote pro-poor tourism, actions need to be taken both at a micro and at a macro level, with various stakeholders – government, private sector, civil society, and the poor themselves – being involved in the decision-making process and actively participating in economic activities. Such strategies need to focus not only on economic benefits but also on non-economic benefits, such as capacity building, training, empowerment, and policy/process reform (ASHLEY et al., 2001). What should be noted is that the aim of these strategies is to unlock
the opportunities for the poor that the tourism sector has to offer, and not to expand the size of the tourism industry itself (ROE; KHANYA, 2001). While tourism as an industry will always be guided by business imperatives and not by poverty targets, it is important to bear in mind that tourism can be employed for the promotion of the welfare of the poor as well (PRO-POOR TOURISM PARTNERSHIP, 2004).

**Tourism in Zanzibar**

In 2000, Zanzibar Town was declared a UNESCO World Heritage Site, due to its unique mixture of Arab, Persian, Indian, and European influence in its architecture and heritage. The products, activities and attractions that Zanzibar has to offer are very diverse, catering for various types of tourism: beach, nature / ecotourism, culture and tradition, history and archaeology, water sports, honeymoon, performing arts, conferences, culinary, and medical (ZANZIBAR COMISSION FOR TOURISM, 2004).

The modern tourism history started in Zanzibar in the 1990-1992 period when the first new hotel was built. By 2009, there were 194 hotel establishments, indicating the increase in the attractiveness of the islands as a tourist destination. Out of these establishments, 28 hotels are class A (quality niche, with a price of US$ 150-400/night), 25 hotels are class B (middle market, with a price of US$ 100/night), and 141 are class C (budget, with a price of US$ 15-100/night) (ZATI, 2010). There are in total over 5,500 rooms providing over 11,000 beds, which can accommodate approximately 145,000 visitors (ZATI, 2014).

Figure 1 presents the number of tourist arrivals in Zanzibar. As it can be observed, in the last thirty years, Zanzibar has experienced a ten-fold increase in tourism: from around 20,000 tourists in 1985 to over 200,000 in 2014.

**Figure 1. Tourist arrivals to Zanzibar (1985-2014)**

However, Zanzibar tourism industry has also suffered a series of shocks. The dips in tourist numbers reflect the earlier effects of the violent 1995 and 2000 elections, which not only set back tourism but also harmed the economy. Post-2000 dips indicate the global insecurity provoked by the September 11, 2001 attacks, as well as the travel advisories issued against Zanzibar from November 2002 to February 2003 (TANZANIAINVEST, 2006). The global financial crisis also affected tourism in Zanzibar: in 2008 there was a minor decline of around 8% in tourist arrivals compared with 2007. After a small decline in tourist numbers in 2011, tourist arrivals have been since increasing.

Figure 2 presents the top 15 sources of tourism markets for Zanzibar. As it can be observed, Italian tourists represent more than a fifth of the total number of tourist arrivals, the main reasons being the existence of direct, chartered flights from Italy and the large number of hotels set up by Italian investors (NATIONAL BUREAU OF STATISTICS, 2014). Tourists from the United Kingdom have generally visited Zanzibar, primarily because of the countries' historical links. Overall, the vast majority of tourists are European (over 70%), followed by Africans – whose share of arrivals has increased on account of the introduction of direct flights to Zanzibar from Kenya and South Africa – and then by North Americans and Asians, each sharing about 5% of total arrivals (ZATI, 2010).

Figure 2. Top 15 source markets to Zanzibar (2012)

Source: NATIONAL BUREAU OF STATISTICS (2014)

According to the 2010 tourist exit survey, 81% of tourists come to the islands for pleasure and holiday, 8.5% to visit family and friends, and 1.8% on business. With regards to spending, the average expenditure for tourists on package holidays is about US$ 230/night and for those that come under the non-package arrangement is about US$ 195/night (ZATI, 2010; 2011; 2012).

Overall, tourism in Zanzibar represents 27% of GDP, 80% of foreign direct investment, and 70% of foreign currency earnings (ZATI, 2014). The impressive development of the tourism sector, especially in the last decade, has led to a vast increase in tourist earnings: from US$ 71,284,780 in 2004 to US$ 175,400,000 in 2012 (National Bureau of Statistics, 2014; ZATI, 2008).
Methodology

The goal of this research is to evaluate the impact of the tourism industry on pro-poor growth in Zanzibar. The main issues that the research attempts to address are the following: Does the tourism industry have links with the local economy and community? Has the tourism sector reduced poverty and promoted economic development? What are the economic, social, and environmental impacts of tourism? What are the obstacles that hinder the relationship between pro-poor growth and the tourism industry?

The methodology employed in this paper in order to answer the above questions involves mainly analysis and assessment of the available literature on pro-poor tourism in Zanzibar. Information regarding the tourism sector and its relation to the local economy and poverty reduction is collected from the following sources: a) Zanzibari government and government-related organisations (for instance, Zanzibar Comission for Tourism, Zanzibar Association of Tourism Investors – ZATI, Zanzibar Investment Promotion Authority – ZIPA); b) non-governmental organisations (such as, ActionAid and Tourism Concern); c) research on the tourism sector and poverty reduction in Zanzibar (for instance, ANDERSON; JUMA, 2011; GOBENA; LUNDÉN, 2012; HIKMANY, 2012; HONEY, 2008); and d) personal interviews with local people working in the tourism industry in Zanzibar during a research trip in September 2010.

The goal of employing these different sources is to reach a more thorough understanding of the relationship between tourism and pro-poor growth in Zanzibar. While the government has recognised the negative impacts of tourism development in Zanzibar, it nevertheless attempts to de-emphasise these impacts and so far, has largely failed to address the impediments to pro-poor tourism (ANDERSON; JUMA, 2011). The interviews with local people working in the tourism industry confirm existing research into pro-poor tourism in Zanzibar that asserts that the average Zanzibari feels excluded from the benefits that tourism brings and that gains are mostly reaped by rich, foreign investors and certain government officials (ACTIONAID, 2003; SITTS, 2009; TOURISM CONCERN, 2011).

Poverty and tourism in Zanzibar

Zanzibar shares common traits with other coastal areas and islands that are characterised by poverty, underdevelopment, and environmental degradation. It has socioeconomic characteristics that belong to two extremes: on the one hand, few areas that display a certain degree of economic development due to urbanisation and industrialisation (i.e. in this case, the capitals of the two main islands), and on the other hand, heavily underdeveloped areas lacking in even basic infrastructure (DACONTO, 1997; MARALE, 2013).

Thirteen per cent (13%) of the Zanzibari population – estimated at 1,211,000 people in 2010 – lives below the food poverty line and 49% consumes less than the level of basic needs. Infant mortality is 54 out of 1000 births and under-5 mortality rate is 73 out of 1,000 births (TANZANIA

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1 The main goal of the research trip undertaken in September 2010 was to analyse the economic development and poverty in Tanzania. In order to gain more in-depth knowledge of the economic, social and political circumstances, a 5-day research trip to Zanzibar was also included. During this time, interviews with local people employed in the tourism sector were undertaken.
NATIONAL BUREAU OF STATISTICS; ICF MACRO, 2011). According to the latest International Labour Office’s report (2010), general living conditions – type of house construction, access to clean drinking water, sanitation, and electricity – are quite good, especially for urban dwellers (ILFS, 2006; INTERNATIONAL LABOUR OFFICE, 2010).

The Zanzibar Strategy for Growth and Reduction of Poverty (MKUZA, from its initials in Swahili) recognises that GDP growth on the islands has not been accompanied by poverty reduction and improvement in the standards of life of most people (REVOLUTIONARY GOVERNMENT OF ZANZIBAR, 2007). MKUZA II – the successor to MKUZA – further stresses that tourism has only very weak links with the local economy, and that it has few multiplier effects regarding employment and income creation (WORLD BANK, 2010). Besides MKUZA, the Zanzibari government in its tourism plans and strategies – such as the 2005 Strategy for Half a Million Tourists in Zanzibar of 2005-2014 and the 2009 New Zanzibar Tourist Act – states its intention to promote sustainable development, develop infrastructure, and reduce poverty through the use of tourism as the main mechanism of economic growth (ZATI, 2011).

In order to achieve these goals, the government initially introduced projects aimed at protecting against the uncoordinated tourism development and getting the local communities involved in the decision-making process (Honey, 2008). However, these plans were soon abandoned as the country plunged into political unrest and violence after the 1995 national elections. Since then, the tourism industry has been plagued by accusations of widespread corruption of high-government officials and local leaders who often make lucrative deals with foreign investors, especially regarding land-acquisition deals (SITTS, 2009; TOURISM CONCERN, 2008). The Zanzibar Investment Promotion Authority (ZIPA), for example, mostly approves projects related to four and five-stars hotels – with a minimum investment of US$ 2.5 millions – which generally have little positive impact on the local economy and community (ZIPA, 2008).

The following sections describe in more details the economic, social, and environmental impacts of tourism development in Zanzibar.

**Economic impacts of tourism**

According to the Zanzibari government, tourism has brought many benefits to the local economy, in terms of direct and indirect employment, foreign exchange income, and infrastructure development. The tourism industry has stimulated the growth of regional and international transport services by air and sea, and has provided training and transfer of technology, management and technical skills. It has also contributed to the development of small businesses linked to the tourism industry, such as tour operators and food suppliers (TANZANIAINVEST, 2006).

The World Bank (2010) estimates that nearly 10,000 Zanzibari people are employed directly in hotels, 400 in diving, 900 in restaurants, 35 as guides, 5,000 in construction, and around 50,000 indirectly through supply chains. Most Zanzibaris, however, are employed in low-paid jobs in the tourism sector, with no benefits and few future prospects of advancement, while foreigners usually hold all managerial

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2 A local NGO estimated that in 2008 a basic living wage was 120,000 shillings (about US$ 74) and a comfortable wage was 200,000-250,000 shillings (about US$ 123–154). According to a report on Zanzibar hotels, wages are quite low: in 2008, housekeepers, waiters, and receptionists earned 80,000-100,000 shillings, heads of departments 150,000 shillings, chefs 200,000 shillings, and unskilled labour earned from 40,000 shillings (Tourism Concern, 2008). These very low wages were confirmed during the researcher’s interviews with Zanzibaris employed in the tourism sector.
posts. This occurs because the majority of large hotels – that are foreign-owned – prefer to bring their own managers from abroad (ZANZINET, 2012).

Another reason behind the general lack of Zanzibaris in managerial positions is the poor education system and lack of training opportunities. Many hotel managers have confirmed that there is a severe lack of educated labour because of low standards of education. Indeed, low school attendance and low levels of basic skills, such as English language and mathematics, is a concern for the ‘trainability’ of students from Zanzibar. As a result, managers find it more efficient to hire Tanzanians from the mainland or Kenyans who have attended good tourism training schools (TOURISM CONCERN, 2008).

Furthermore, tourism development has not led to the employment of more Zanzibari women. On the contrary, women have even lost out to men in the competition for new employment opportunities. On the one hand, this is on account of the Zanzibar’s traditional, Muslim society, where women’s roles are defined by certain cultural and religious traditions, and mostly by what Zanzibari men perceive as jobs not suitable for women. Furthermore, in the past, women used to be involved in the fishing business as middlemen; however, now that fishermen sell directly to hotels, many women have lost both their jobs and income (ACTIONAID, 2003).

With regards to the establishment of tourism-related businesses, large hotels do not generally support local SMEs entering the tourism industry, since they prefer to import food and products instead of sourcing them locally, with the only exception being fresh fish (ZANZIBAR BUSINESS COUNCIL, 2009). This lack of linkages between tourism and local suppliers is on account of supply and demand barriers, as well as legal and constitutional factors. These factors include poor quality or inadequate quantity of local products, hotel characteristics (such as nationality of owners, size of hotels), concerns over food safety and health, lack of technical know-how of local producers, and lack of institutional support, and official promotion of local products (ANDERSON; JUMA, 2011).

There are, however, a few exceptions to these practices. For instance, at Kiwengwa-Pongwe tourism zone, the tourism sector employs 14% of the community members as tour guides, employees in the hotels, and restaurant owners; in this case, tourism contributes about 15.2% of the income to the local community (MAKAME; BOON, 2008). Also, the Chumbe Island Coral Park tries to encourage good employment ethics, by paying much higher salaries than the minimum wage in Zanzibar, employing 300% more staff per room than the international average for eco-lodges, and ensuring good working conditions (HIKMANY, 2012).

Finally, it is argued that the islands do not really benefit from earnings from tourists because most of them pay directly to foreign tourism agencies in their own countries (ZANZINET, 2012). Many Italian-owned hotels offer all-inclusive deals; tourists often eat and spend their time only at the hotels and do not support much the local economy through the purchase of products and services. This fact was confirmed by the researcher during a series of interviews with hotel employees and tourists. A recent investigation revealed that the total pro-poor benefit from tourism in several sectors (i.e. accommodation and hotel meals, restaurants, retails, tours and excursions, services and others) is US$ 17.5 million per year; this translates into only 10.2% of the total tourism revenue (SNV–VSO–ZATI, 2010).

3 Perez (1974, 1975), Turner (1976), and Hills and Lundgren (1977) discuss the unequal economic impact that tourism generates as well as the paradox that developing countries strive for expanding tourism as a means of obtaining foreign exchange while most of incomes generated by their tourism industries finally leave these economies. Briguglio and Briguglio (2002) point out that in small developing insular states, foreign travel agencies generally control such a large proportion of the tourist traffic that they have enough negotiating power to dictate main tourism policies in these states.
Social impacts of tourism

Tourism development has brought to Zanzibar not only foreign exchange income, but also new ideas and lifestyles, which have impacted negatively on the traditional local communities. Tourism has been accused of causing cultural erosion: with about 99% of the population being Muslim, it is argued that cultural and religious mores are at danger from tourists' new ideas, perceptions, and modes of behaviour (ZANZINET, 2012).

One of the most serious impacts of the rapid tourism development has been a large increase in drug and alcohol consumption. While drinking and drug consumption also occurred in the past, these conducts have been increasing and can be mostly observed with young men, especially in Nungwi and Stone Town (both on Unguja island), on account of the tourist demand. Crime has also risen, especially muggings and petty theft, but also violent crimes and robberies; these crimes have been directed at foreign-owned hotels or foreigners living in the capital (TOURISM CONCERN, 2008).

Another social impact directly linked to the large number of tourists is prostitution. In the past, prostitution was not a major issue. However, now prostitution aimed at tourists but also prostitution within local communities have greatly increased. This has been attributed to increased availability of sex workers who come mostly from mainland Tanzania. There are also young men from villages in Zanzibar that offer sexual services to tourists; they, however, do not see themselves as sex workers (TOURISM CONCERN, 2008).

Overall, the impressive growth of the tourism industry has given rise to discontent and conflict between communities, local people and tourists, and between communities and government officials. This general dissatisfaction stems from the fact that many Zanzibaris believe that tourism development has not brought much improvement in their living standards. On the contrary, corruption cases involving land deals, exploitation of natural resources, increased price of fish, raw materials, and land, and generation conflicts stemming from youth's exposure to outside cultures have all led to social tension and unrest (HIKMANY, 2012; SITTS, 2009; ZANZINET, 2012). This tension is further exacerbated by the fact that many rich hotel owners dictate their own terms to local communities; in some cases, villagers resort to cutting water pipes and other violent acts in order to express their frustration at the terms imposed on them (TOURISM CONCERN, 2011).

There are, however, some notable exceptions, particularly in cases where local communities receive substantial economic and social benefits from tourism. Such is, for example, the case of Kumbaurembo village, where the local government receives funds from the neighbouring hotels, which are used to develop infrastructure, like roads, schools, and sports facilities. Since many villagers are also hired by these hotels, the relationship between the parties is quite prosperous (MAKAME; BOON, 2008).

Environmental impacts of tourism

Tourism development in Zanzibar has put a huge strain on existing infrastructure and available resources. Hotel construction and management is generally not environmentally friendly, with large hotel complexes often causing environmental damage and serious conflicts with the local communities. This is aggravated by the fact that high government officials have ownership stakes in the
islands’ luxury hotels, and thus use their influence to suppress environmental and other measures that would impose costs on hotels (SITTS, 2009).

The main environmental impacts of tourism in Zanzibar are closely related and caused by a combination of lax environmental regulations, which are seldom enforced, and profitable business arrangements between wealthy foreign investors and local government officials. Most significant problems caused by the tourism industry include environmental damage from hotel construction and management, pollution and mismanagement of water resources, deforestation, poor waste management, and degradation of ecosystems.

The majority of investors violates construction laws and damages the environment by building structures very close or even on beaches. Almost 60% of the 194 hotels on the islands are actually built too close to the sea or directly on the shore. Despite statements by the Zanzibar House of Representatives that these hotels should be demolished, this event is highly unlikely, due to widespread corruption and deal-making between wealthy investors and government officials (YUSSUF, 2012). This phenomenon is further exacerbated by the Zanzibari government’s poor record with regards to application of environmental regulations, monitoring, and fining.

Regarding water resources, most hotels on Zanzibar do not employ water conservation strategies or wastewater management, fact that leads to water overuse and conflict with local communities. Very few hotels have sewage treatment plants and most establishments rely on the use of soak ways or discharge sewage into the sea with only minimal treatment (TOURISM CONCERN, 2011). With regards to waste, 80% of the total waste in Zanzibar is produced by commercial establishments, such as shops, hotels and restaurants that employ various non-environmental friendly practices to dispose of waste (GOBENA; LUNDÈN, 2012). Improper waste management increases the risk of diarrheal and other infectious disease outbreaks, as well as decimates coral population that can lead to a decrease in coral fish communities (SITTS, 2009). Although in 2006 the Zanzibari government issued a directive that required hotels to treat properly their own sewage, this rule has been widely ignored.

Finally, increased number of tourists has led to deforestation and degradation of ecosystems. The increasing need for construction materials and new building areas has intensified the competition between wealthy investors and local communities, resulting in resource depletion, degradation, and conflicts (HIKMANY, 2012). Coral reefs are often damaged by tourists engaging in scuba-diving and snorkelling activities, fact that can reduce even further the already-diminishing fish populations. Additional damage to ecosystems is done through the purchase of animal and plant products from areas where environmental degradation has been observed (HIKMANY, 2012).

Conclusions and final comments

It can be argued that, overall, tourism development has not led to poverty alleviation in Zanzibar: luxury hotels are built next to villages of extreme poverty while the majority of the people still live with under US$ 1 per day. While the government has introduced a number of poverty reduction initiatives with tourism at the centre, it appears that the tourism industry has brought few benefits to local communities. On the contrary, tourism in Zanzibar has created an “enclave economy” or “islands of development” that are dependent on foreign capital and non-local labour (ACTIONAID, 2003).
Although tourism does offer employment opportunities for local communities, most jobs are low-paid. Furthermore, the economic benefits for local communities are not evenly distributed, and largely depend on the area. According to official figures, tourism contributes only 1.5% to per capita income (HONEY, 2008). Education and training opportunities have increased but they are still considered below average by many hotel managers who prefer to employ Tanzanians from the mainland or foreigners. The rapid growth of tourism has led to an increase in the price of goods and services, together with a series of social impacts, including conflicts between locals and hotel owners, cultural distortion, and increase in alcohol consumption and prostitution. Tourism development has also led to environmental degradation, due to increase in waste, improper sewage management, water contamination, and depletion of resources.

According to a recent study, the challenges for pro-poor tourism in Zanzibar are the following: a) the business environment does not favour SMEs; b) Zanzibaris have little access to employment in the tourism industry due to few training opportunities; c) most hotels are foreign-owned; d) local suppliers are unable to meet the requirements of tourism sector businesses; and e) the existence of many foreign-owned hotels leads to a high degree of leakage (SNV–VSO–ZATI, 2010). Moreover, widespread corruption among government officials has given rise to a culture of “protection” of wealthy hotel owners that take advantage of the lack of monitoring and law enforcement, in order to promote their interests and cut down on costs.

Overall, the tourism sector in Zanzibar faces many challenges that can seriously impede its further development, such as poor infrastructure, shortage of skilled staff, electricity and water shortages, serious accidents affecting tourists (for instance, the sinking of two Zanzibari ferries in 2011 and 2012), and the recent chaos experienced on the islands, due to violent protests by Islamists demanding Zanzibar independence from mainland Tanzania. Therefore, pro-poor tourism policies are urgently needed that will focus on increasing the education and skills of the poor, improve their accessibility to credit and information, and increase the foreign-owned hotels’ support to the local economy, through local hiring, infrastructure development, and purchase of local products. Action is required at all levels of the tourism industry, including the government, private sector, and the poor themselves, so that Zanzibar continues to be an attractive tourist destination but also that the living standards of the Zanzibaris are improved.

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