

Effectual Partnership for Tourism Sector Transformation in Rwanda

Kahigana Innocent*

Department of Travel and Tourism Management, University of Tourism Technology and Business Studies, Kigali City, Rwanda

Abstract

Behind successful transformation of any institution or sector there is an effectual partnership, which emphasizes prior commitments from stakeholders to address uncertainties to sustainable tourism. The tourism stakeholder commitments are reflected in the public-private partnership, stakeholder-oriented planning, and the government sponsored development. In Rwanda, the public-private partnership identified is considered for development of public services, though challenged with indistinguishable responsibilities of actors. The tourism stakeholder-oriented planning favors the constant invitation of private stakeholders to always participate in the elaboration of some tourism development strategies but constrained with capital shortage and institutions weakness. The government sponsored tourism developments are visible but lack levy fund for that. However, more elaborated partnerships are needed to motivate investors, stakeholder-oriented planning needs more capacity building, and state-sponsored tourism developments need earmarked fund.

Keywords: Partnership; Transformation; Tourism; Stakeholders; Sponsorship; Planning

Introduction

Behind successful transformation of any institution or sector there is an effectual partnership emphasizing prior commitments from stakeholders to address uncertainties to every developmental initiative. Such stakeholder commitments were accentuated by Stuart et al. [1] as possible way to drive the dynamics of effectual model that enables each stakeholder to bring new means to the venture, and strives to invest what he/she can afford to lose. It also expands means for generating something very different from the starting point. This becomes possible with the help of effective public sector reforms of the organizational structure and process aimed at enabling it to perform better. The International Centre for Parliamentary Studies [2] considered organizational structural change as always about splitting or merging of public institutions; the process reform as all about redesigning of the systems, setting quality standards, and capacity-building. The splitting or merging of public institutions or sectors, Ayeni [3] highlighted more on it as sharpening focus and encouraging cohesive specialization. Redesigning of the systems, Langley et al. [4] perceived it as elimination of the resource wastage and the associated costs. Setting quality standards, according to Webber and Wallace [5], is more of facilitating percentage increase of people's confidence in the service rendered to them and encouraging growth of concerned sector Capacity building, which Farazmand [6] described as focusing on the enhancing abilities of public institutions, individuals and systems to build and manage today and even the future. The aim, according to ref. [7], is to improve the efficiency and effectiveness of the civil service for better performance, increased capacity and sustainability over the time. This as well raises quality of public service delivered to citizens in addition to enhancement of government functions formulated to promote socioeconomic development.

The public sector reforms, according to Bangura [8], deal with three main issues: decentralized management and creation of cohesive executive agencies, employees' performance contracts, and contracting private sector to deliver business related services. All aims at transforming sectors such as tourism with more international consideration. Likewise, the central attention of public sector reforms, for instance in the managerial efficiency, is all about organizational restructuring and introduction of quasi-market system for service delivery. Quasi-market system was described by Koning [9] as

pursuance of the promotion of competition and the attainment of policy goals in critical sectors such as tourism.

Tourism sector is considered as critical economic contributor worldwide, providing significant potential for growth and development. This consideration was also highlighted by United Nations World Tourism Organisation [10] in its 2014 long-term forecast of how international tourism will continue to grow in a sustained manner in the next decades. UNWTO noted that international tourist arrivals grew by 5% in 2013, reaching a record of 1,087 million arrivals; Africa attracted three million additional tourist arrivals, reaching a new record of 56 million, reflecting the on-going rebound in North Africa (+6%) and the sustained growth of Sub-Saharan destinations (+5%). These figures simply demonstrate the huge potential of the tourism sector to be expanded further in coming years. It also shows that competition is bound to be fierce as destinations must compete internationally to get a bigger share of the tourism dollar.

The Rwandan Ministry of Trade and Industry [11] forethought about such global fierce competition and introduced the Sustainable Tourism Master Plan to bring its tourism industry to greater heights as the country heads towards the year 2020. The Plan highlights strategic objectives to pursue to improve Rwanda's position within the global tourism receipts by 2020. Likewise, World Economic Forum [12] ranked Rwanda 105th at global tourism scale; also placed it in ninth ranking of top 10 Sub-Saharan countries putting in place the factors and policies to make it attractive to develop the travel and tourism sector. Additionally, Rwandan Ministry of Trade and Industry [13] reported that tourism sector continued to increase with total revenues reaching \$297.8 million, representing 12.8% growth on 2011 to 2012, with the main source of tourism income being the leisure sub sector.

***Corresponding author:** Kahigana Innocent, Department of Travel and Tourism Management, University of Tourism Technology and Business Studies, Kigali City, Rwanda, Tel: +250788483871; E-mail: gahicent@yahoo.com

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Rwanda has set a target of 1.3 million tourist arrivals with revenue of over US\$624 million in as far as growth and development of tourism sector is concerned, moving towards year 2020. The country has also experienced a number of public sector reforms. In the few years back, the various government institutions under the guidance of Rwanda Development Board (RDB) have rolled out various innovative and creative events and activities in tourism sector. The aim, proclaimed by the Ministry of Trade and Industry [11] is to diversify the country's tourism offerings, sustain tourists' interest, attract more to the country, and most importantly, make them stay longer and spend more.

Regarding public sector reforms in Rwanda, since 2004, new and greater demands for capacity building of human resource and institutions to manage them have been exerted. The aim, also highlighted by International Monetary Fund [14], is to equip public service with competent and motivated employees, laws and regulations tailored to the present and future contexts. In this case, the exploitation of country's potential competitive advantages becomes easy to facilitate promotion of opportunities in tourism sector.

Promoting tourism sector is part of the 2004 public sector reforms that led to 2008 re-organization and transferring of tourism and conservation matters to RDB, mandated to fast track development activities by facilitating private sector and promoting investments; though the article 3 clause 4 of the 2008 Organic Law, establishing RDB and determining its responsibilities, stipulates the role of RDB in tourism and conservation matters as participatory. The clause mandates RDB to "participate in initiating and implementing policies and strategies in matters relating to tourism and conservation. The fact is that promotion of tourism and conservation has continued to increase proportion of visitors, mainly to major touristic sites such Volcanoes National Park to view mountain gorillas.

However, price increase in gorilla permit Nielsen and Spenceley [15] warned that it is likely to affect the visitors' length of stay and their participation in other tourism activities in Rwanda. Likewise visitors' short stay and how tourism sector is being catered for on policy and master planning issues at the Ministry of Trade and Industry with insufficient staff in tourism department are part of what Punam and Angwafo [16] forethought to be an impediment to the success of tourism sector in Rwanda. There are also inadequate mechanisms International Monetary Fund [14] considered to retard reinvigorating of promotion of cultural tourism coordinated by the Ministry of Sports and Culture (MINISPOC). The Institute of National Museums of Rwanda (INMR), an affiliated institution to MINISPOC is reported to be unequipped to fully facilitate such reinvigoration with preservation, dissemination and promotion of national cultural and natural heritage components. Additionally, such components, with central aspect of cultural tourism, have not been exploited due to many aspects highlighted by Ministry of Sports and Culture [17] as insufficient technical and managerial skills, inadequate infrastructure development, and lack of private sector involvement in delivering cultural tourism products and information

resources. The forethought impediment of sufficient staff, postulated cultural tourism constraints, and mandated participatory role of RDB in the transformation of tourism sector are critical challenges to tourism sector in Rwanda. These challenges raise concern associated with hindrance to potential for growth of tourism sector in Rwanda. In this case, a scientific study was necessary to analyse possibilities of effectual partnership to transform tourism sector in Rwanda, focusing on the following research questions;

- Is the tourism public-private partnership necessary?
- What is the essence of stakeholder-oriented planning?
- What is the relevance of state-sponsored tourism development?

Literature Review

The review of literature, to have abroad overview about possibilities of effectual partnership to transform tourism sector in Rwanda, adopted theoretical framework that provides two types of explanations. The first explanation is about the relationship of variables under study, whereas the second explanation is about the anticipation of a particular set of outcomes [18]. The study adopted a triad model illustrated below, which was derived from the three theories that prescribe public strategy formulation process (Figure 1).

The applied theories in this study include natural person theory, which considers the partnership to be result of private action but envisage it to have attributes of the real person. Natural person theory regards public-private partnerships as necessary to reduce the sources of degree of efficiency individuals and firms maintain under conditions of imperfect competition and allow more competitiveness [19]. The stakeholder theory that views corporate concern as an entity through which multiple and not necessarily overlapping purposes are pursued. It helps to identify the links between stakeholder management and the attainment of traditional corporate objectives such as growth or profit [20]. There is also state-sponsored conspiracy theory, which explains how regimes attempt to create the state-dominant symbolism in the public arena. Such symbolism Gray [21] noted that it can be a component of the government or state's self-image it sends to the society.

Tourism public-private partnership

The public-private partnership in tourism has the potential to bring economic and social benefits including; integrating tourism promotion brand, improving quality of tourist services, develop tourism sector employees' managerial skills and quality of education together with development of new tourism products based on the activeness of the destination [22]. Such benefits are result of public-private partnership most critical success factors, which include a well-defined and balanced structure with clear identification of shared decision-making processes, roles and responsibilities, recognition of motives and needs that drive behaviors of the members. Other factors are common agreement

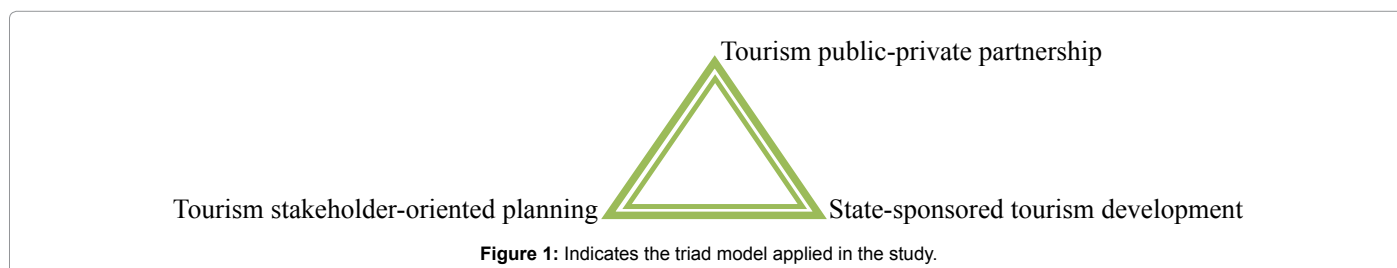


Figure 1: Indicates the triad model applied in the study.

of general values for sustainable tourism strategies with long-term commitment through combined strategic vision and plan to ensure the consistency of short, medium and long-term goals. There are also other factors such as defined detailed procedures for evaluating efficiency of every member, and the establishment of an information system that facilitates communications of members [23]. The public-private partnership is based upon contractual and cooperative relationships between private sector and government intended to draw upon the strengths of the two sectors. The public-private partnership agreements are long-term in nature, typically extending over a period of 15 to 30 years [24]. The development of niche tourism market illustrates importance of public-private partnership in Rwanda represented by tourism working group, which World Bank [25] said to being serving as forum for debate, collaboration and information sharing.

Tourism stakeholder-oriented planning

The tourism stakeholder or process-oriented planning is associated with the new form of adoptable planning practices and philosophies. This form of planning provides guidelines for tourism improvement and problem solving [26]. The process-oriented planning based on mutual consensus among stakeholders and a significant level of community integration and involvement leads to tourism sustainability [27]. The approach of empowering stakeholders to include their voice in the decision-making for tourism development is a relatively new approach that became an indispensable element of the sustainable tourism development process. The need for local participation and deliberation in decision-making has been stressed within the framework of community-driven tourism. Those who advocate for stakeholders inclusion in tourism sector also argue the importance of distributing power among primary users of local resources [28]. Tourism sector in Rwanda continues to experience significant number of privatization initiatives, empowering private sector to take a leading role in its planning and development. The private sector is represented by the tourism chamber, which is consisted of four associations [16].

State-sponsored tourism development

One of the most important actors in the tourism development process is the state. Through various state-sponsored tourism development corporations, governments establish the framework, policies, plans, and regulations to both attract and control tourism development. The key element in the success of tourism development is the policies, and regulations in place to attract domestic and foreign tourism investment to a country [29]. The state-sponsored tourism development combines two very different processes to influence significantly local place identity. One is the process of commercial, economic, and social integration inherent in tourism development. The second involves state policies preservation of tourism resources associated with certain standardized forms and unambiguous symbolic marketer [30]. The government sponsored tourism development in Rwanda include establishment of essential infrastructures for niche tourism. This has been backed by the government adaptation of the Meeting Incentives Conference and Events (MICE) strategy and establishment of Rwanda Convention Bureau for business tourism [31].

Research Methodology

The study, which was qualitative in nature, adopted desk research approach that provided alternative procedure for gathering the necessary data [32]. The partial interviews were also conducted among private sector members and local government officials to authenticate relevance of some literatures. Their responses were further incorporated

into secondary data collected through extensive review of literatures on Rwanda's tourism public-private partnership, tourism stakeholder-oriented planning, and state-sponsored tourism development. The study, which was as well analytical, dealt with questions that generated data about the possibilities of effectual partnership to transform tourism sector in Rwanda. An analytical study according to Cohen [33] first draws attention to unknown and proceeds to the known by evaluating the facts and information relative to the problem being studied.

Study Findings

Linking public and private sector in tourism development

The Rwanda's current approach to the public-private partnership shows potential for tourism sector development. The approach, which Christie et al. [34] compared with one securing community landownership and protecting critical biodiversity, aims at enhancing the welfare of local communities. The government of Rwanda has in principle given the operation of public-private partnership approach ago ahead by giving the responsibility to Rwanda Development Board (RDB). The public-private partnership approach that have been given ago ahead is more of a procurement method the government is set to use to deliver public services and infrastructure focusing on prioritized sector such as tourism for economic development and poverty reduction. There is also a proposed law under ratification, which Chamber of Deputies [35] noted that will apply to the public-private partnership arrangements such as the management contract, whereby a contracting authority awards a partner the right to manage and perform a specific service with respect to an infrastructure facility or other asset for an agreed time period. This law aims at filling the gaps within the current state of public private partnership in Rwanda, which Nuwagaba [36] claimed that it currently indicates existence of just concessions given to the investors in some important sectors for the country's economy. Nuwagaba's concern was also raised by the 2 officials of the national tourism regulatory body who highlighted an example of concession policy in tourism sector that loads investors with more responsibilities of developing and managing touristic facilities in the protected areas; whilst the partnered government agency only monitor activities to ensure compliance with the concession agreement. The Ministry of Trade and Industry [13] noted concessionaires are brought on board due to budgetary and capacity constraints faced by public sector. It is therefore important to notice that the government (public actor) made deliberate choice of tourism concession model to transfer risks as well as expertise and financial constraints to the private sectors. However, Wyman et al noted that the private sector-led concession tends to be selective when it is time to innovate and respond to changes in consumer demands; also undervalues the needs of local communities around protected areas. This creates a scenario Brebbia [37] thought to reduce the opportunities for income generation of local communities around such touristic sites. It seems that both government and concessioners are still to encounter difficulties to cooperate in private sector-led tourism development in protected areas. The role of local authorities (government representatives at grassroots level) is not clearly stated; because supervisory role of such concession is performed by Ministry of Trade and Industry (MINICOM) whereas technical operations and coordination is performed by RDB. Likewise, private investors are expected to invest more (expertise and finance), but this concession policy does not explicitly prescribe the state mechanisms to the guarantee of private investments in such risky areas.

The influence of stakeholders in tourism planning

The current tourism stakeholder-oriented planning in Rwanda

is associated with constant invitation and participation of private stakeholders in the elaboration of some tourism development strategies. This planning Nielsen and Spenceley [15] considered it as one that enables the government to engage in a strong public-private dialogue. This has also facilitated a tourism working group, comprising of private and public stakeholders in the tourism industry, to be in place. This planning approach, according to the Ministry of Trade and Industry [11], gives private sector a chance to be consulted in the development of new policies and strategies, such as the Sustainable Tourism Development Master Plan. In addition, the Private Sector Federation of Rwanda, of which the tourism chamber is a member, is consulted before new strategies and laws are adopted. The Ministry noted that the involvement of private sector in the tourism planning provides accurate measurement of tourism revenue to be improved by seeking the cooperation of key stakeholders, and by conducting regular visitor surveys. The stakeholder-oriented planning enables sustainable tourism guidelines to be developed in a participatory way by joint committee of public and private sector, and disseminated to tourism stakeholders. This as well facilitates the success of future tourism plans which are therefore dependent on the commitment to physical planning and control by government, district councils and other key stakeholders and a partnership approach being forged between the public and private sectors. However, the success of tourism working groups is constrained with mismatch between the needed tourism business development service and what is offered on the market; insufficient links with local communities around touristic sites; and slow development of private sector tourism leadership. This is what Goldberg et al. [38] said to be overwhelming constraints to the tourism stakeholder-oriented planning for tourism sector development where social capital is low and concerned institutions are weak.

The role of state in tourism development

The government sponsored tourism developments are reported to be considerable. They include the construction of Kigali Convention Centre and purchase of new planes for Rwandair, which IMF [14] described as imperative step in business tourism promotion in Rwanda. The other state-sponsored tourism development, which Waugh [39] highlighted, is the construction of the Kigali Serena Hotel and Lake Kivu Serena Hotel. There is also the long-mooted construction of new roads south to Rusizi and north to Rubavu, of which the southern leg is nearing completion as part of a long-term plan to divert most incidental traffic away from the main road connecting Huye to Rusizi via Nyungwe Forest National Park [40]. The Akagera National Park electric fencing is among the government sponsored tourism development. The African Parks has been contracted to manage all aspects of the Akagera National Park, both on the conservation side (wardens) as well as tourism development. The RDB administers a revenue sharing program, whereby 5% of the revenues from park permit fees are deposited in a fund, which is used to support economic and social development initiatives in the communities adjacent to the three national parks. The community associations are supported directly through the revenue sharing scheme. A number of other projects such as beekeeping and basket weaving have been implemented [15]. A focus has also been on training for income generating activities [41]. The government also funded formulation of a sub-master plan for tourism along the Kivu belt, an area that offers many untapped opportunities. The plan identifies a selected number of landmark investments for further tourism development and highlights five key tourism investment zones along the Kivu belt [42-46]. It is also noticeable with regard to how government has continued to support private sector represented by the tourism chamber, which consists of

four industry associations: accommodation, tour operators, transport and private education establishments. The tourism chamber is still supported by the government due to insufficient resources. However, Rwanda is still constrained with shortage of diverse information about the tourism attractions, products and services to make it a competitive destination for tourists and private tourism operators. The compilation of important information on trends in tourism market also requires government sponsorship. This is because, private sector still faces challenge of not having in place a tourism marketing levy fund which could be supported in partnership with the government. The Ministry of Trade and Industry, [11] proposed that the tourism businesses could be charged levy and the government is willing to support such exercise.

Conclusion

Tourism public-private partnership, stakeholder-oriented planning, and government sponsored tourism development have been prioritized in Rwanda. However, there are still challenges of indistinguishable implementation responsibilities of the current favored private sector-led concession; low capital and institution weakness in collaborative planning; lack of tourism levy fund to support tourism development. There is need for distinct implementation responsibilities of actors in the tourism concession development, and to earmark fund for tourism development.

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