Chapter 13
The Role of Public and Private Sector for Sustainable Tourism and Hospitality Business Development in Ethiopia: A Case Study in Addis Ababa

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ABSTRACT

In order to achieve the objective of the study, both primary and secondary data were generated by employing qualitative (using group discussion, in depth interview, and observation) and quantitative (mainly using survey and visitor survey questionnaires) methods. Purposive and simple random sampling techniques were used to select both private and public tourism sectors and 80 samples, respectively. The quantitative data was analyzed using frequency, percentage, and mean when appropriate while qualitative data was used to triangulate and substantiate the study. The finding result shows the visitor experience on the area of transportation and accommodation is the area where Addis Ababa falls far behind. There are several areas of poor performance (supported by both visitor questionnaires during the preparation of this study). Overall, the analysis identified that the industry (the role of public and private sector for sustainable tourism development in Ethiopia) is underperforming relative to the tremendous potential value to fasten for a tourism industry in the country.
INTRODUCTION

The role of the tourism industry in Ethiopia’s socio-economic development has always been recognized positively in the country. Noticeably, in Ethiopia the number of international tourist arrivals has grown in leaps and bounds since the national development plan in 1965 in which the importance of the tourism industry in economic growth and development was highlighted leading to an average of 63,833 arrivals by the early 70s (ETC, 1990). The Ethiopian tourist organization was established in 1961 to promote tourism and to encourage the establishment and maintenance of the necessary tourist facilities. After the establishment of Ethiopian tourist organization, the prominent tourist attractions were known as the historic route.

Regarding the beginning of tourism in Ethiopia, EMA, (1988) argued: the presence of tourism in Ethiopia spans is not more than three decades. The industry gained official acknowledgement by the foundation of the Ethiopian Tourist Organization in 1964. This had the aim of fulfilling the need for a central administration to plan and implement programmers, promoting touring and encourage the establishment and maintenance of tourist facilities. Based on the policy tasks the organization has done a lot to attract tourists.

After the fall of the Derg regime the current regime of the country followed free market by changing ETC to MCT with broad objectives and principles with the vision of to see Ethiopia’s tourism development led responsibly and sustainably and contributing its share to the development of the country by aligning itself with poverty elimination (MCT, 2016).

Using the opportunity of free market policy a number of public and private tourism sectors such as hotels, tour operators, car rental companies, online travel agents, airlines, tourism offices, tourist information centres, souvenir shops, loges, tourist guide associations, tourism professional associations, accommodation and catering facilities, etc. were established. Ethiopia has established solid institutional bases for the development of the tourism sector. This work has been built on guiding and transforms the tourism sector into a “pivotal component of Ethiopia’s economic development,” and on commendable joint efforts by the public and private sector advocating that tourism be recognized as an important economic sector. Now a day’s tourism and hospitality sector in Ethiopia considered as a means of different types of jobs for a millions of citizens who are interested and essentially working in the service industry. In 2014, the total contribution of travel and tourism to employment, including jobs indirectly supported by the industry, was 8.5% of total employment 2,291,500 jobs (MoCT, 2017:43).

However, it still lacks a national tourism strategy that will guide its tourism growth trajectory and can guide the implementation of strong public and private sector joint effort to establish the legal framework for the development of the tourism sector in Ethiopia. Moreover, the legal instruments can integrate tourism development that lads responsibly and sustainably along with contributing its share to the development of the country by aligning with broad participation by the different stakeholders for poverty reduction.

Consequently, these studies were investigating the role of public and private sector for sustainable tourism and hospitality business development in Ethiopia: a case study in Addis Ababa. Therefore, the study will contribute to fill the knowledge gaps to show the irreplaceable role of public and private sector for sustainable tourism and hospitality business development in Ethiopia and the following research questions were the focus of the study.