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**ENTREPRENEURS' CHALLENGES IN EXPORTING
TANZANIA'S INDIGENOUS PRODUCTS OF**

The Case of *Makonde* Carvings

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Abstract

Entrepreneurs in indigenous industries create national prosperity. The nation economy cannot grow because of being endowed with natural resources only. It also depends on innovative and upgrading characteristics of the indigenous country industries and entrepreneurs.

Tanzania has a national competitive advantage in the tourist industry. Today the industry contributes about 16% of the Gross National Product (GDP). Tourist industry has related and supporting industries. One of them is the Makonde carving industry. Both industries illustrate challenges of export of indigenous products of Tanzania through the research findings from Mwenge women entrepreneurs.

JEL Numbers: F02, F13, F21, F23

Key Words: Tanzania competitiveness, indigenous entrepreneurs, indigenous products, market penetration.

1:0. Introduction

Tanzania could benefit from globalization through boosting its exports, which could be furthered by changing the composition of the traditional and non-traditional export products, from primary to high value manufactured goods. Currently, of the entire main products, 58 percent of them are agricultural based industry products. About 29% of the agricultural products are processed. Main exports include coffee; cotton, cashew nuts, sisal, minerals, fish, cut flowers, and other agricultural exports, which are not very significant in the industry.

From the year 1993 to 1999, the export trend has taken a new direction. The non-traditional export products show a positive growth while the traditional export product show a downward slowing growth. Traditional export products were mainly agricultural produce (URT, 2000). Figure 1, below shows this trend. From 1992 to 1999 the export of traditional products slowed down. The reasons could be due to the transition period due to the entrepreneurs being in a learning model from nationalisation to privatisation of means of production in the native products sector, although the reasons for slowing growth that was given by URT,(2002) was climatic conditions as major exports were agricultural produce. In this paper we attribute by the failure to adapt the demand conditions and marketing skills among the indigenous entrepreneurs. The entrepreneurs operated under a common market ideology in the past with centric mindset of agricultural policies and organisation in the market. According to Ghorshall, et. al. (1999), the trigger of internationalisation could be described as the market seeking behaviour. The entrepreneurs in the transition period had their government as a market seeker legacy. In the post-modern period, entrepreneurs are self-market seekers and exporters of the country's products.

This paper confines itself to the explanation of the potential indigenous export entrepreneurs who might export the big volume of native products. The contents of the paper converses the dare facing indigenous export entrepreneurs in Tanzania. It aim at exploration of these challenges and enlighten the Tanzanian international market actors' defy at present. The intention is to find out how these challenges can be eliminated in a long run. The paper commences with entrepreneurs' role in country's export, and also it explains export modes in internationalisation. Then it gives an insight on export trend in Tanzania and the role of indigenous non-traditional export products. It discusses the qualitative research findings from Mwenge women entrepreneurs in the *Makonde* artisanship market production in the explorative data analysis. It explores the modes operand of marketing and striving efforts to capture international markets. Based on the findings, the paper wraps up and urges on suggestions and recommendations that can used to look for alternatives.

2:0. Entrepreneurs Role in Export Growth

Different theories have been put forward regarding the role of entrepreneurship in economic development. These theories range from debates about the role of religion in the rise of capitalism, Marxian debates over the role of "national capital", the more recent theory of the "development state" which emphasizes the entrepreneurial role of the State, and perhaps most famous the Schumpeterian theory (<http://www.tanzaniaonline.org>, 2003). Schumpeter (1934) portrayed entrepreneurs as the critical agents for economic change and development. The

entrepreneur introduces new goods and services into the market, develops new methods of production, opens up new markets and sources of supply of raw materials, and pioneer new forms of business organizations.

In export channels, national entrepreneurs might be expected to play a crucial role in adapting technologies to indigenous needs and promoting structural changes, which alter the national position in the international division of market. The emphasis on the importance of entrepreneurship does not necessarily undermine the potential role of state intervention. Policies can influence the supply of entrepreneurs in the economy and the allocation of their resources. Also, public interventions can influence accessibility to resources, technology, and product markets. There are different export entry strategies into the global market.

Most frequently, a firm will enter export operation based on unsolicited order from abroad, or an offer from an agent or importer abroad to represent the firm or sell its products. Other unplanned entries into export marketing may come from internal factors, such as overproduction, declining domestic sales, and excess capacity. Such external events as competitive pressures, “follow the leader” behaviour government sponsored trade fair, and funded export missions may also lead to unplanned entry into export markets (Beamish et.al.1997: 78).

Many firms initially develop, produce and market products for their domestic markets without taking into consideration of export markets, and then it happened that the firm receives unsolicited orders. Hence, the firm strives to fulfil these orders, and later on it organises the managerial expertise. In the next stage the firm begin to evaluate the impact of export sales on its performance in a more systematic way. Export entry modes differ from one firm to another.

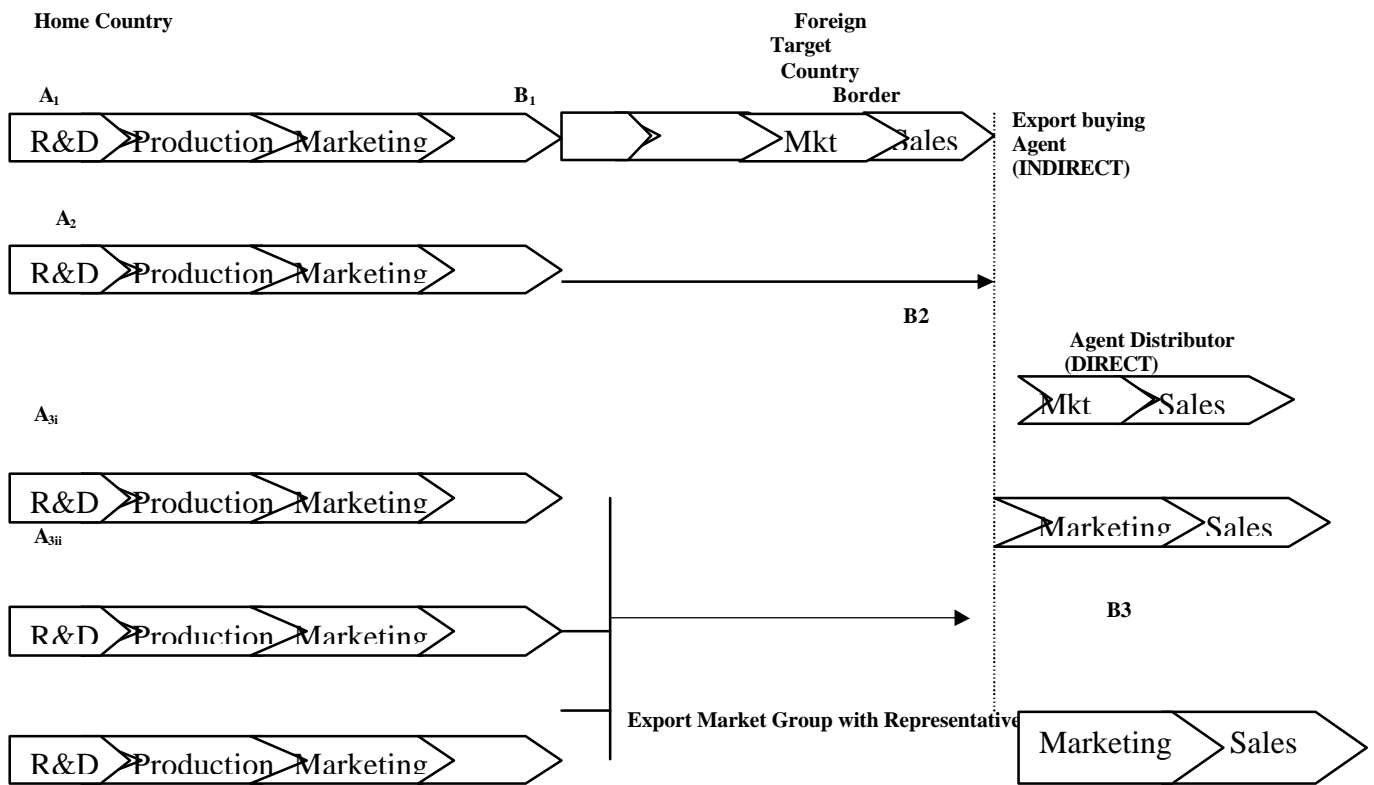
3:0. Export Modes

According to Hollensen (1998), MSEs can organise export in different ways depending on the number and type of intermediaries. Normally, MSE has to decide which functions will be the responsibility of external agents, and what will be handled by the firm itself. Export channel may take many different forms such as indirect, direct and corporate export marketing group.

Indirect export is the export mode where the manufacturing firm does not take direct care of exporting activities. Instead another domestic company, such as export house or trading company, which perform export activities together with the exporting MSEs. The second mode is direct export where the exporting firm takes care of exporting activities and is in direct contact with the first intermediary in the foreign target market. The firm is typically involved in handling documentation, physical delivery and pricing policies with the product being sold to the agent and distributors. The other one is the corporate export, which involves collaborative agreements with other firms concerning the performance of exporting functions.

In figure 1 above the characteristics of MSE are not uniform as far as export is concerned. The export modes in this figure are explained in terms of value chain. A₁, A₂ and A_{3i-iii} are manufacturers of the products or services. While Bs is independent intermediaries which makes sure that the product reaches to the customers in a foreign target market. However, these three modes needs knowledge and awareness of what it takes for MSE to learn new markets so as to export.

Figure 1: Export Modes:



Source: Hollensen (1998:218)

MacCormick (1996:194) described Kenya's¹ entrepreneurs handicap towards managing native businesses. She argues that at independence Kenya inherited an industrial sector dominated by Kenyan Asians multinationals and European entrepreneurs. Later on Kenya adopted private and foreign investment promotion, this shifted import substitute to protectionism. These policies encouraged foreign investors and private indigenous investors at the expense of the quality of investments and the harness of the African entrepreneurial potential. The same applies to Tanzanian entrepreneurs where the direct government investment handicapped indigenous investment ability. Thus, Tanzania is still having a great potential of unexploited indigenous export potentials at present while the market is liberalised.

3:0. Exports in Tanzania

Tanzania's entrepreneurs are continuing to take their market shares in the global market though at a slow pace, and in their own learning model (Hollensen, 1998). The export strategies are affected by organisational legacies of central planning legacy and government dependences. The government to be producer and distributor of resources remain entrenched in postmodernism indigenous entrepreneurs. During Ujamaa² days, development strategies were inward oriented. The government had a role to organise and manage export and import in the country. The mismatch between production structure and demand in the international markets results in declining competitiveness of domestic produced export product. Consequently, although

¹ Kenya is another East African Country which has proximity with Tanzania in business culture and economic history, though Tanzania opted for nationalisation during Ujamaa era.

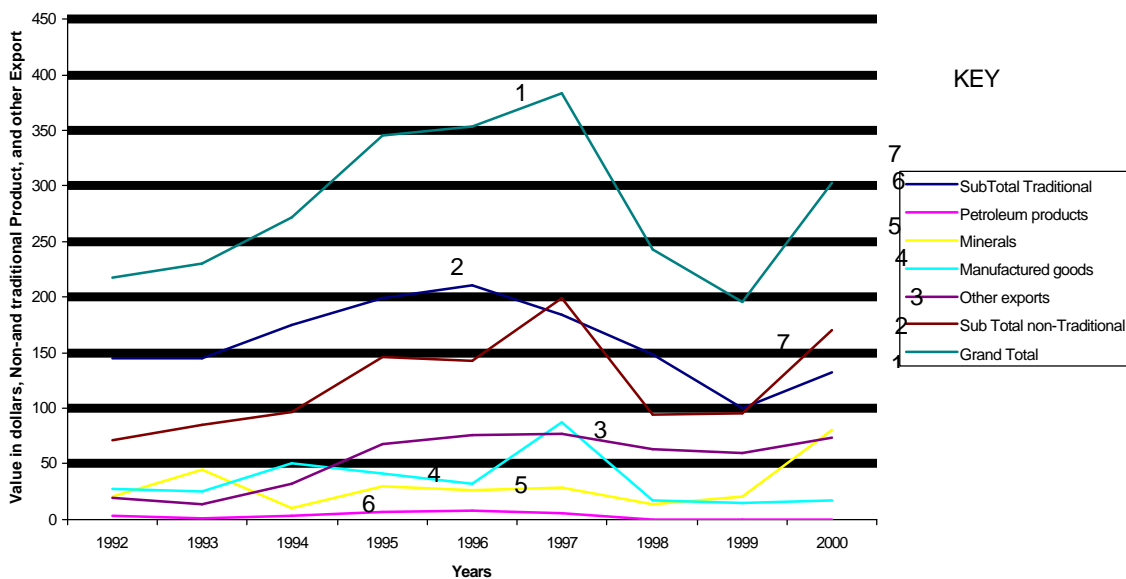
² Ujamaa is the Swahili terminology for Tanzanian socialism.

transformation programmes such as Structural Adjustment programs (SAPs), are facing the challenges for bringing about the necessary changes in incentives and make enterprises response to external businesses opportunities. However, international competitiveness capacity of the post modern entrepreneurs is limited for sometime because the export sector is still using the same channels and regulations that were used by the State Owned Enterprises (SOEs). However, the liberalisation of foreign trade regimes, and convertibility of domestic currencies have provided a strong stimulus to firms to look for external markets for their products.

Export modes in Tanzania differ from one firm to another. After trade liberalisation, many entrepreneurs have started to export into foreign markets freely instead of using the traditional government channels. However, the traditional export and non-traditional export products has shown different directions. Non-traditional export products seemed to increases at the increasing rate while the traditional export products have decreased at the decreasing rate. Figure 2 bellow demonstrates the trend of export products of both types of products.

Entrepreneurs efforts to adopt international market Figure 2 below, indicates that in 1999 to 2000 both traditional products and non-traditional products (see graph no.1 sand 2) has started to resume the positive growth rate. Graph no 2, for non- traditional products started with the great momentum in year 1994 to 1996, after that period, there was also slow down growth.

Figure 2: Non traditional and Traditionall Export Products

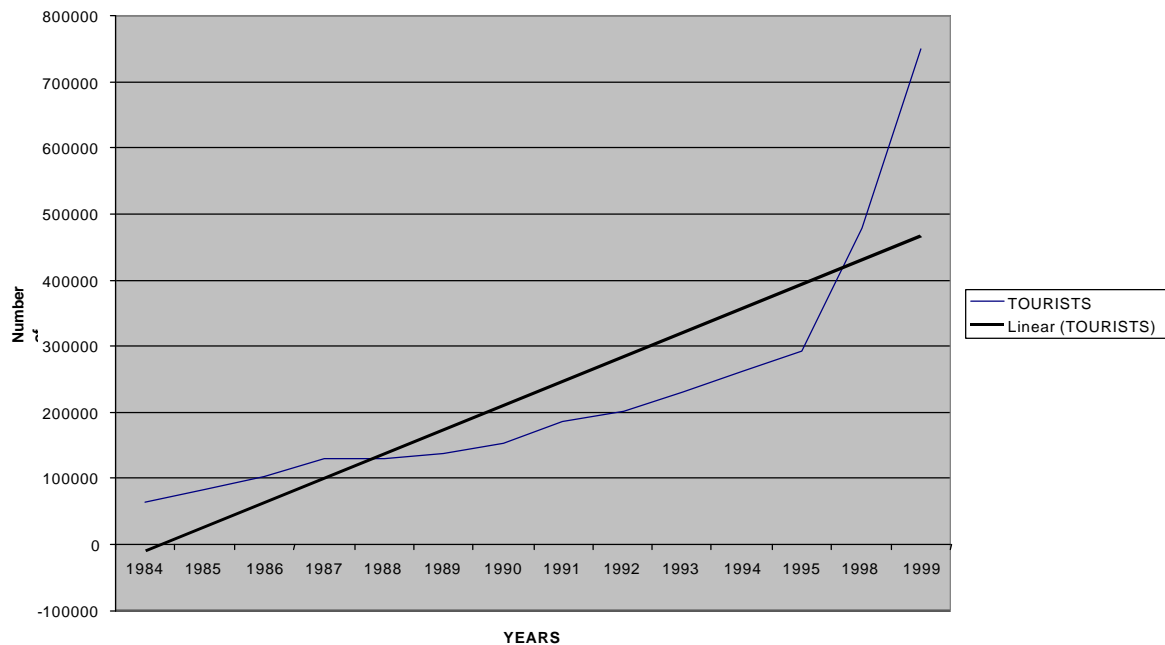


Source: Adopted from <http://www.bot.tz.org/statistics/reviews/table 4-3.html>.

Meanwhile the other exports, which are not directly accounted for in this paper, are represented by trend no. 5 for other export products. This trend shows a constant growth with no sharp drop or sharp rise. These include tourist, artefact industry, and flower growers, fruits exports that are new area for international market potentials export of Tanzania. Tanzania has a vast natural resources base for the development.

The natural attractions and the vast size of the country provide tremendous opportunities for developing and promoting different tourist activities, ranging from game viewing and hunting safari to beach holiday activities, mountain climbing, gliding, sight seeing, and photographic safaris (<http://www.tanzaniaonline.go.tz>).

Figure 3: Trend Showing Number of Tourists that Came to Tanzania Per Year.



Source: URT, 2000

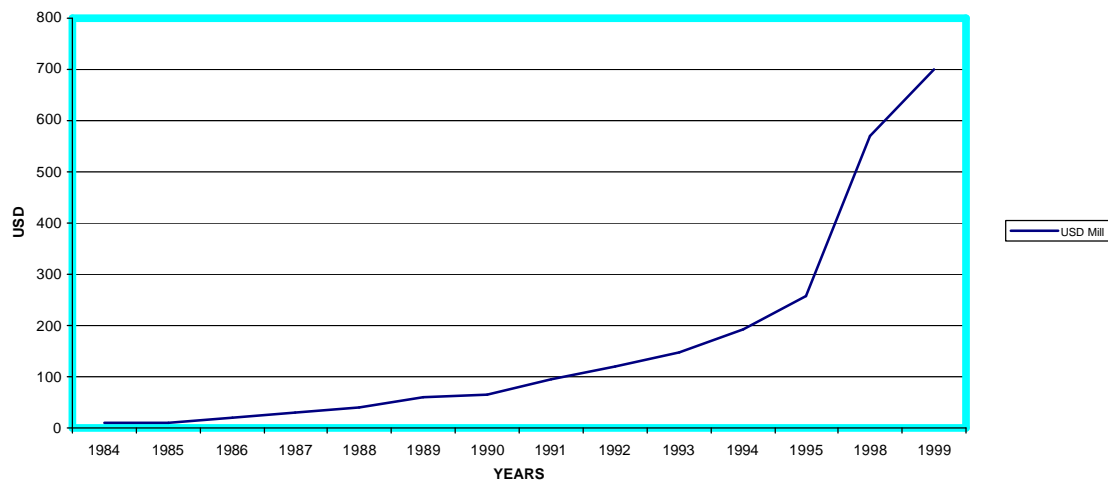
In 1999 the tourism contributed about 16% to the GDP. Many economists believe that if tourism is properly developed and promoted, it could well become Tanzania's leading industry according to the trend in figure 2 below. This has already been proved, as the sector is now number two foreign exchange earners after agriculture. Tanzania is now rapidly finding its place among the world tourist destination. Tourist arrivals have increased from 153,000 in 1990 to 627,000 by 1999 while receipts increased from US Dollars 65m in 1990 to 733m in 1999 (www.tanzania-web.com, 2002).

The trend of tourist visiting Tanzania has been increasing since 1984. This can be attributed to the implementation of Economic Recovery Programme and liberalisation of the economy adopted in the year³. That increases lead to the foreign currency earnings increase as shown by Figure 3 above.

Figure 4 below reiterates what figure 1 above explains. The increase of tourist influx means an increase in the national income earnings from tourist industry. The foreign exchange earned from tourism to a good degree helped to alleviate the worsening balance of payment problem. Not only the tourist industry development increases the forex earnings, but also tourism has a forward linkage and backward linkages.

³ The Ministry of Natural Resources and Tourism's Integrated Tourism Development Master Plan Evaluation-2000.

Figure 4: The Amount of USD from the Tourist 1985-1999.



Source: URT, 1999

Hollensen (1998) professes that it is an advantage for other industries if there is a core industry in a country. Since other industries mushroom in order to serve the core industry and there should be development of skills to support the core industry too. Coordination of technologies should be also eased by geographic proximity. Here the advantage of cluster industries is not so much transportation cost reductions, but also technical and marketing cooperation. Having in mind that this growing tourist industry is a core industry in Tanzania's economy, the *Makonde* artisans make the sculptures and sale them to the tourists. Further more, the sculptures are also exported abroad. However, marketing skills have been a problem in the tourist market. As (Nafziger (1999) argues, higher level of education has an added advantage to entrepreneurial ability. Persons with more education have more knowledge to make right decisions. In addition, the verbal skills of business language, better education assists him/her to acquire new ideas, methods, corresponding, conversing in business relationships, and understanding instruction manuals and other routine writing information. In tourist sector, education is even more important. More often the tourists do not speak Swahili language, but they speak foreign languages such as English, French, Spanish, etc. Visitors are nothing but the customers who need convincing language.

3:0. Challenges and Experience in Exportation of Non-traditional Export Product

The study conducted at Mwenge area, investigate how do women entrepreneurs produce the naturally patented *Makonde* sculptures for the tourist domestic and foreign markets. Four cases were interviewed during year 2001 and the result shows that Tanzania entrepreneurs are handicapped with marketing knowledge. However, knowledge of the market of the entrepreneurs who are exporters of non-traditional products requires to be enhanced. According to Hollensen (1999), knowledge of the market is very crucial in exportation of the product. The

study of the consumer behaviour (customer), physical attribute, processing of the product can increase demand for a given product. Thus in marketing process, the entrepreneur ought to know marketing mix³.

Knowledge of the market makes a business actor to attract many customers (Mandhav, 1996). Designing product attributes in the demand function of computerized business simulations has been recognized as enhancement marketing effectiveness. The attribute approach allows for inter-temporal changes in customer preferences and new product line (Bitner, 1990; Boulding et al. 1993) According to Kari (1995) traditional professions should be made economically worthwhile by creating channels for marketing non-traditional products such as; mats, baskets, horticultural produces, and different processed agricultural produces. The goal can be to preserve employment in the traditional areas, outside economically powerful centres. Indigenous women entrepreneurs need to be educated in adapting traditional resources management arrangements to modern contexts. According Heimann (1986) marketing are business endeavors that are concerned with identifying consumer demand and attempting to satisfy their needs in most effective and profitable way. Marketing involves activities such as marketing research, advertisement, public relations, launch timing, and selling.

The market segmentations in the tourist industry are assumed to give the opportunity for women entrepreneurs in Tanzania; but success depends on the factors mentioned in the above. According to Hollensen (1998), success at the market place depends not only upon identifying and responding to customer needs, but also upon our ability to ensure that our response is judged by customers to be superior to the competitors (i.e. high perceived value). He argues that the immediate cause of differences in performance of different firms can be reduced to two basic factors: perceived value and firm related costs.

4:0. Research Contribution

The data used to explain this phenomenon was collected from Mwenge Dar Es Salaam in the artefact dealers mainly women. The study was done through explorative research design. Data mining methodology was used to explain the export trend and earnings from export in Tanzania. The different websites and official document were visited in order to trace the export trend and the sector wise contribution to the economy. The variables studied were traditional export products, non-traditional export products, marketing, selling, challenges and success in exporting traditional and non-traditional export. Data collection and analysis methods were based on qualitative methodology mainly analysis of selected cases.

Churchill (1999) argues that analysis of selected cases is sometimes referred to as the analysis of insight stimulating examples. In the case study approach, the intensive study of selected cases has given the insight of how the opportunities are realized, strength, weaknesses, and threat in the artefacts industry. We studied the existed records, and observation of how the businesses were carried out. Unstructured interviews, and participatory approach has helped to articulate the insight of the phenomenon. The researcher studied three cases of women who excel in the industry. The data was collected on that background and experience of each case (Churchill op.cit).

³ Marketing mix is the term used in marketing process. It includes product, distribution, promotion, price, people and physical evidence.

Sampling list included some women who were already in tourist-based businesses. They were purposively selected. Based on Nachmias (1996) suggestions, physical list from Tanzania Tourist Board and Board of External Trade were used. We compiled the substitute list. As the research was conducted in Tanzania (the third world country where database is somehow not dependable), the convenient sampling design (purposively) was appropriate.

The population researched on was the women entrepreneurs in the artefact industry who were in the tourist destination town, Dar Es Salaam. Dar Es Salaam was selected as the area of study because it receives many tourists from abroad and also there are many women entrepreneurs who export carvings businesses. In data collection, we applied in-depth interviews, observation and participatory approach.

5:0. Findings

The research findings are presented in form of qualitative methods. The data was collected in two phases; in the first phase, three cases of women in the industry were analysed. First case was Respondent No.1, the second one was Respondent No.2 and the last was Mrs Mnyani who was a new entrepreneur in this industry. The three women were interviewed differently and the responses were recorded. In the second phase, the researcher interviewed the officials in the tourist industry. The Tanzania Tourist Board and the Board of External Trade were visited.

5:1. Case One: Respondent No.1:

Respondent No.1 is a nickname for one of the women entrepreneur who was in the artefacts industry businesses. She dealt with *Makonde* carvings, started her business in 1996, resided in Dar Es Salaam and she had a business premises in the Mwenge Area. Her carving shop was one of the shops of carvings in Mwenge.

She was a primary school teacher before. Later she decided to look for another job because that career was not paying enough to sustain her family basic needs. She studied cookery and became a catering officer in the World Bank Canteen in Dar es Salaam. At the same time she was rearing chicken that was sold in the canteen she was working with.

Working with the World Bank, she interacted with people from all over the world who came to Tanzania as workers in the international organisations as well as the tourists. Being there she learned their interests (customer tastes), and she found that foreigners like to buy ebony tree carving. She could even ask them the highest price the tourist would be willing to pay for some types⁴ of the carvings.

She studied customer tastes, their demand and their willingness to pay (price) as they perceived the quality of Ebony tree, and she learn how the *Makonde* make their carvings. She had to get involved in making the carvings herself especially in polishing processes. She learned the names of the carvings and their meanings. She learned how to price them. Among the names

⁴ Ebony made carving of different sizes or and shapes.

she mentioned were the names of the ebony made candles such as; *Mishumaa Kunyonga*, *Vichwa Masai* etc. She said that these names are internationally known.

Since the customer market segments are sub-divided into other sub-market segments, she said she studies different customer needs. The tourists from different nations have different demands and tastes. She identifies her customers according to the place of origin and then she predicts what a customer would like to buy. She knows what kind of carvings is suitable for the Japanese, Italians, Germans, etc. For example Japanese customers, as far candleholders are concerned, would prefer the type known as “*Mshumaa Kunyonga*” while the Germans prefer “*Vichwa vya Masai*” type.

In the production chain, Respondent No.1 buys by contracts from the *Makonde* carving experts. Sometimes she buys ebony tree pieces and calls the carver to make the carvings for her. She also sells her products through the whole sellers who are concentrated in Arusha.

She sees the potentialities in this business, but she says there is a problem of exposure. She has a long experience in this business. Respondent No.1 says “there is no domestic market”. According to the Tanzanian culture, very few people are interested to buy the *Makonde* carvings. Mainly, the Tanzanians who go abroad buy the carvings as presents to their hosts while in the country of destination. Thus, the target market for *Makonde* carvings are for exporting them abroad. She says also that when they go abroad, in different exhibitions arranged by the Board of External Trade (BET), her sales increases. BET takes them abroad in different exhibition as sales promotion and advertisement. On the contrary, women entrepreneurs in this industry use this time to sell their products. As everybody goes with a big luggage of carvings, when they fail to get customers, Tanzanian women entrepreneurs sell their merchandise in streets like “Machinga” do in our town streets. As a result they create a stiff competition among themselves which results to low prices, so they sell them at a throw away prices. Also, she claimed that some foreign markets are already flooded with Tanzanian carvings. She cited Japan as an example

Responding to SWOT analysis question, Respondent No.1 said that the only strength the women entrepreneurs in the ebony tree artefact oriented businesses is the presence of the BET. Respondent No.1 thought that without the BET to look for international trade fairs, there would be less demand in the industry.

Weaknesses- The Mwenge area is not strategically place along or near the tourist destination. Some tourists come with the interest of buying Ebony tree products, but they don't get access to them. She still believes that if the Tanzanian government through the Ministry of Natural Resources and Tourism strategically bring every tourist who come to Tanzania at Mwenge area or advertise the place at the Airport, it will make the tourist to buy their products. Another weakness is on the supplier side. Many Tanzanian women entrepreneurs do not speak /read/ write English fluently. This problem makes them blind of the technological changes and coping with the global changes. Also they fail to communicate well in the price negotiation.

Opportunities- There are many opportunities in the tourist industry for women entrepreneurs. Tanzania is one of the countries that have the ebony trees in the southern part of the country. There are two types: the black ebony and the white ebony trees. Tanzania has the *Makonde*

ethnic group who originally come from Mtwara Region who can carve. Explaining the cultural behaviour of the people from Newala, Respondent No.1 said the *Makonde* people are the experts of making carvings, but they are not good in business. Most of them lack entrepreneurship characteristics. They depend on these Tanzanian women entrepreneurs in the carving sales.

Threat-The technological know how of making the carvings has been left in the hands of the “*WaMakonde*”. The system of education in Tanzania does not consider transferring the heritage like the *WaMakonde* carving skills from one generation to another. Even in the *WaMakonde* themselves, many young *Makonde* do not know how to make even a simple article. She said it is very difficult to get a qualified *Makonde* for making the good quality carvings if one received a big order on the pure traditional *Makonde* carving. Many *Makonde* carvers do not know their importance; the ones who make the carvings have no any businesses ethics. Many *Makonde* carvers are dying of HIV/AIDS and also many are alcoholics. She sees the carving industry having a bleak future.

5:2. Case Two: Respondent No.2

Respondent No.2 was also a woman entrepreneur in the tourist industry. She sold the Ebony tree-carving product too. She started the business in 1995 after being retrenched from her work as Co-operative Union Officer in Dar Es Salaam region. Respondent No.2 knew the market well. She sold through agents who reside in Arusha and other countries, but she sold more during different international exhibitions and fairs. She speaks good English, which helps her to make business contacts. She says the market is growing fast.

She managed the business herself together with her husband who worked with the Ilala Municipal council as an accountant. She bought ready made products through contracts. The quantity of the contracts of the contractors depended on the order pressed by the agents in Arusha or abroad. She claimed that there was no domestic market for these products. One had to struggle as much as possible to sell her products to the foreigners who come to Tanzania for their own purposes. Another big market for their products depended on travelling abroad for exhibitions. She complained like Respondent No.1 above, that the Tanzanians when went to such kind of exhibition became “*Wamachinga*” ie hawker in the streets of different cities. They sold their product at the throw away prices. She also said that this business depended very much on the influx of tourists. She gave an example of the low sales experienced during the election campaign and during the CUF demonstrations. She knew her customers very well. The customers had the wide range of choices and it was her duty to know their interests. She gave examples of the customer tastes:

- ❖ Chinese most likely would like to buy Rhino carvings⁵.
- ❖ Americans most likely would like to buy Maasai warrior carvings.
- ❖ Japanese were interested in Ujamaa⁶ carvings.
- ❖ Germans were not specific.
- ❖ British and Norwegians , normally were not very interested in these products.

⁵ Rhino carvings are the types of carvings that are shaped like a rhinoceros.

⁶ Ujamaa carvings are the carvings that have many people holding each other by shoulders. They are relatively very expensive because they are time consuming too complicated to make.

Respondent No.2 thought that British and Norwegians were not very much interested because the marketing mixes in these countries had not been done properly to trigger interests. She had contacts in Berlin, China, and Munich, but she had no permanent sales agent there.

As far as the capital is concerned, she said that she raised her own capital, when she was retrenched from her job as catering officer. When she was asked on some problems emanated from capital, she said as it was at that time, it was difficulty to have enough capital to enter these businesses, so long as the initial capital was very high. She said that because the domestic market for the carvings was externally oriented; one had to prepare the passport and the fare while starting her business.

She had a plan to go to Bangkok, Thailand to attend the trade fair in April 2001 and June she would go to Japan and Berlin. She was sceptical on the fact that when they went abroad for exhibition purpose, many became ‘Wamachinga⁷’ in the foreign countries. She said that she did the same as the others did, because she didn’t like to come back with the unsold luggage. She sometimes sold at the throw away prices too.

Strength- Respondent No.2 said the strength lay in the hands of the BET. If BET continued to look for the international trade fairs and advertisement that went in tandem with the tourist industry advertisement, there was a hope to expand. Another strength was the presence of the ebony tree in Tanzania. As it was explained in case one above, ebony tree is the gift of nature that makes Tanzania competitive as far as the world market is concerned.

Weaknesses- She said that this business needs a big capital. When the women entrepreneurs went to trade fair exhibitions, they paid the fee themselves and sometimes the profit they realise was not big enough to compensate for the production costs.

As explained above in case one, Respondent No.2 complained that Mwenge area was not strategically business location for tourist-oriented products like *Makonde* products. She thought that there should be deliberate efforts to develop and advertise the area. She said also that many Tanzanian women entrepreneurs did not speak English fluently. These possessed a communication problem as far as potential customers interaction was concerned. In the digital divide era, many of them will fail to compete as far as the world and tourist market is concerned. They are handicapped of negotiation skills. She gives an example that in the EXPO-2000, which was in Berlin, Germany, many women entrepreneurs who were in that trade fair were not speaking good English and the Germany as well. Many women communicated with potential customers using symbols. Also the arrangements were not quite organised, there were no prior knowledge of the exchange rates of the Douchemark vs. Tanzanian Shillings. That made the negotiation more difficulty than it could be.

Opportunities-There were many opportunities in the tourist industry for women entrepreneurs. Tanzania is one of the countries that have the Ebony trees in the Southern part of the country and the *Makonde* expertise is not easy to imitate. Respondent No.2 distinguishes the *Makonde* made product and the others that are made by the Zaramo who have taken some initiatives to learn the *Makonde* artisanship. She says that the *Makonde* expertise is the only niche in this industry. If it is well-promoted and getting support from the society and the government, it could be another source of income for Tanzanian.

⁷ Hawkers

Threat- “There is no hope for expanding the domestic market if Tanzanians are not cultural transformed to have pride in traditional products such as carvings. The *Makonde* carvings are made for international markets. The government has not done enough deliberate efforts to develop this industry by either providing education to the young *Makonde* so that they learn from their parents. There is a threat that this heritage will perish in vain in the long run”; She commented.

5:3. Case Three: Respondent No.3

Respondent No.3 lives in Kunduchi Beach Dar Es Salaam. She started the business in 2000. She was new in this business. She had no premises in the Mwenge Ebony tree carvings complex. The day the research was carried on she was in the process of renting a premise from another woman who had decided to stop the business for a while.

Mrs Mnyani was aware that the market for ebony tree products was still huge. The problem that was facing the market was lack of proper marketing mix programmes. She said that she attended the Expo-2000 in Berlin, Germany where she observed that the ebony tree products were still demanded. The problem facing the producers (Tanzanians) was lack of advertising strategies. She said that she was on the way to make her Website to advertise her own business soon after renting the premise. She had no much experience, but she has a vision for the future. She thought that the business in that industry was not well organised.

Mrs Mnyani saw good prospects in this business. She said that the lack of technology and enlightenment was the big problem in the business. She seemed to be sceptical for being dependent to the government. She does not support the idea that these women should wait for the BET to promote and advertise the business. She says that with the Internet development in Tanzania, the women themselves should promote their businesses. She added that if one was interested in trade fairs, let her surf in the Internet through different search engines and would be able to get where the next trade fair was to be organised and make her own arrangements of travelling and sell her products.

Mrs Mnyani continued to argue that in Mwenge, were about 60 shops of the *Makonde* carvings. In case of BET arrangements all rivals (competitors in this business) in this business would like to get favors and had to travel together in the same route, same plane, same products and sharing the same market segment. Due to market competition, the competitors who share the same premises and same methods of marketing mix, are forced to sell their products at the throw away price.

6:0.Backward and Forward Linkages

Backward linkages: Women handcrafts entrepreneurs did not produce handcraft themselves. According to the director, specific tribes in different areas produce the handcrafts,

eg. *Makonde* carvings. Other tribes were trying to imitate from the other tribes. Few of them such as Wazaramo were copying *Makondes'* art, but it has been proven that still their art was not as good as that of *WaMakonde*. That shows that the exporters and women entrepreneurs cannot influence the specific product to suit their market, unless the efforts are made to teach the specific artisans the additional knowledge on what they know. The value chain of the carvings rely on the *Makonde* people's knowledge, which was culturally oriented, thus there was a need to educate them first. They should learn the market demand and what they are expected of. Unfortunately the carving makers are the ones who never go to school. They use traditional knowledge that is not easily integrated with capricious nature of the market demand.

There is also mistrust between the women entrepreneurs and the *Makonde*-carving makers. When the women in that business obtain an order from abroad, BET through the financiers provides them with loans. The women presses the orders to the *Makondes*, the *Makondes* takes the money and shift to another camp or village where he cannot be traced. The women fail to fulfil the order and she cannot make the carvings herself at the same time not all *Makonde* can make them. These instances do happen every now and then. Also, the quality of the product is not reliable, sometimes they produce good quality in the exhibition, and the order is pressed. While fulfilling the order, the one who make them sometimes do not be traced again, the other person will be found who sometimes produces the poor quality.

Forward Linkages: The women entrepreneurs sold the finished products. They were the final producers in the value chain of carvings. They employ salesmen/sales women. Women entrepreneurs sell the products and earn foreign currencies that add the value of external trade balances. Sometimes tourists visit the Mwenge carving shops as a tourist attraction place. The director says that it is not only the carvings were made for selling, but also if they were made and arranged well could have been another tourist attraction.

Table 1: SWOT ANALYSIS SUMMARY:

| CASE | POSITION | SWOT ANALYSIS IDEAS IN THE INDUSTRY: | | | |
|-------|--------------------------|--|---|---|---|
| | | STRENGTH | WEAKNESS | OPPORTUNITIES | THREAT |
| No. 1 | Woman Entrepreneur | BET enhanced business. | Relying on the government initiatives. | The niche market of <i>Makonde</i> art | No efforts done to inherit the <i>Makonde</i> art. |
| No.2 | Woman Entrepreneur | BET help looking for the market Presence of the Ebony tree species. | It needs big capital, but the sources of capital are unreliable. Mwenge business Area should be advertised/promoted. | <i>Makonde</i> artisanship is creates a niche market. | No efforts to inherit the <i>Makonde</i> artisanship. No sustainability. |
| No. 3 | A new woman entrepreneur | She believes in herself that she can look for the market-on the way to create her website for a advertisement. | Dependence on government and BET. | Ebony tree and <i>Makonde</i> artisan. | Lacks of strategic marketing mix programmes. |
| No. 4 | TTB Managing Director. | Not aware | Not aware | They are many tourists who come to Tanzania. | Not aware |

| | | | | | |
|-------|----------------------------------|-------------------------------|--|--|--|
| No. 5 | BET director of Export Promotion | Tanzania has unique products. | Lack of sufficient market information Lack of enough funds in his department to promote Tanzanian products. Unreliable investors who knows professional business in the industry. The government has not seriously considering advertisement as an important issue. | The market share potential is very high. | African courtiers are very seriously on promoting their artisanship. The competition for carvings is very tense. |
|-------|----------------------------------|-------------------------------|--|--|--|

Table 1 above, shows the trend of strength, weaknesses, opportunities and threat in the *Makonde* artisan industry. Two cases (case one and two) thought that the Board of External Trade (BET) was responsible for marketing their products. Actually, the entrepreneurs themselves should carry out marketing. The dependence of the women entrepreneurs on the BET showed that they had little knowledge of the marketing. They were not satisfied with the role of the government in handling their businesses. They still think that the government should help them in advertisement, but they don't explain really what they would like the government. Their strength in businesses was relying on the government. That could be termed as a weakness instead of being called their strength. Contrary, the third case opposed them. She saw how the strength lay in her hands.

However, we could not rule out the role of the government in enhancement of the entrepreneurial abilities. Case one and two realised that *Makonde* artisanship was a gift of nature it needed to be leveraged. The two cases understood that in case the government liked to develop the tourism industry, which was a core industry to artisan industry development, it had a role to develop the initial stage of the product value chain. Without leveraging the *Makonde*, it would be difficult to leverage the quality of the product. That problem had been given by two cases and seemed to be a threat for the future market. The two cases viewed the business in that industry being not sustainable as the *Makonde* artisan was not inherited by the future generation.

It seemed that the government of Tanzania was not putting more efforts to develop the *Makonde* artisanship. The traditional art was in the danger of being eroded by the foreign skills. It was true that learning from the other nations could increase effectiveness, but it didn't need a genius to predict the future traditional art/skill if the trend is to neglect even the marketable traditional skills. In table one above, case four was not aware of what the core industry (ie tourism industry) was supposed to do in order to make other industries in Tanzania to grow together. He said that the TTB was there to take care of the tourists while they are in the country. Case four and five represents the views from the government where strategies and visions for the future tourist are set. One would expect to hear how strategically women entrepreneurs who focus on developing their businesses in the industry were leveraged. It seemed TTB had not integrated its plans and that of the women in the tourist oriented businesses.

However case five seems to be aware and strategically is eager to develop their entrepreneurial skills. The entrepreneurial skills can develop slowly through exposure. The BET has tried to integrate its strategies together with those entrepreneurs in the tourist industry. BET officials that were interviewed said that their efforts to promote the women entrepreneurs' businesses were still going on, but the resources allocation for that activity were very small. The government of Tanzania seemed not to consider business promotion as a nation to be very

crucial. Case four cited the example of Kenyan entrepreneurs who use to receive participation fee from their government during Saba Saba exhibitions. He compared the Kenyan efforts to promote their industries abroad with Tanzanian efforts; he said Kenyans were far better. He said African nations were not very much concerned with promotion, but selling. As promotion was not seriously done, the sales of traditional African products were not impressive. Case four gave an example of Japanese government industry promotion. He said Japanese External Trade Promotion Organisation (JETRO) started with promoting export industries abroad.⁸ Today the Japanese Companies are present in many countries, and their businesses are thriving. He says if the government doesn't put more efforts to promote Tanzanian traditional products or adopted industries; there would be no entrepreneurial development or their development will grow at the slow pace (see figure 2 above)

6:0. Conclusion:

The three cases showed that the entrepreneurial ability, where women in the industry were resource organisers, they employed the others such as *WaMakonde*. They had ability to study the market and they had managerial skills, but they were not very much innovative. The first two cases were complaining that the government should do the sales promotion, while in the free market economy most of business activities lay in the hands of business actors. Respondent No.1 in the first case above, still expected the government to do everything for them, which was difficult for a businesswoman to wait for the government to do everything. On the other hand Mrs Mnyani was against the traditional way of thinking. She is a new woman entrepreneur in this industry and she was on the way to advertise the business.

With or without international business skills, the women entrepreneurs in the ebony tree products tourist industry had a market niche, which leverages their businesses. The ebony tree is the gift of nature, which is not found in many countries, and the *Makonde* artisanship is very special and not easy to learn. The women entrepreneurs in the industry carried out their businesses in such a way that they acted as they were protected.

The women entrepreneurs in tourist industry do need support from the government. There were some reasons for that: many women in this business were not knowledgeable to the international businesses and protocols. Women who operated in this industry were naïve as far as international business channels were concerned. The need for leveraging them was very crucial. For example the three cases were complaining that the market in Japan was flooded. They argued that Japan was flooded with their products, as they had a drastic drop in the demand of their products. Nevertheless, the probable reason of a drop in the demand was the slow down of the Japanese economy for the past five years. At the sometime, the government being the promoter should take into consideration of their language problem as discussed above.

Nevertheless, women entrepreneurs in the tourist industry had high potentials to grow and become the employers of many Tanzanians. According to case three and four (See table one), there was a need for the government to allocate financial resources for industrial promotion abroad as well as domestically. Donors could also be requested to support special programmes within Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) to

⁸ . JETRO is a governmental body that promotes Japanese industries.

support trade missions and market intelligence for women entrepreneurs (Rutashobya, L., 1998). As Rutashobya, (op.cit) put it, special NGOs and Management Training Institutions should initiate counselling services for women entrepreneurs. Entrepreneurial skills are born, but they need institutional support.

There still potentials for non-traditional production export industry growth. Thus there is a need to continue conducting researches and leveraging indigenous entrepreneurs ability to catch up the new technologies, marketing intelligence, creation of export channels in order to get access to the international markets, hence expand export sector.

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