Innovation Polices and their Impact on Tourism Product Diversification Around Protected Areas in Rwanda. A Case of SACOLA in Kinigi Sector

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Abstract

Worldwide public policies that concern tourism have been formulated with consciousness due to the involvement of many stakeholders and complex in implementation. In developing countries the innovation policies are aimed at ensuring that the tourism sector becomes the key economic pillar for their development. Similarly in Rwanda the government has formulated many policies in the same line to make the tourism sector the main economic pillar and foreign exchange earner. However, the challenge comes when these policies are not well implemented to serve the purpose they were meant for. Also the local community perception and involvement in innovation and diversification of the products for their livelihood. So the methodology comprised of descriptive research design that included primary and secondary data as well as the qualitative and quantitative approaches. The target population was 52 members of Sabyinyo Community Livelihood Association (SACOLA) and sample size of 34 respondents obtained purposively using Slovins formula. The results obtained revealed that the majority of the respondents were females (64.3%) and age group between 26 and 55 years were the biggest number due to responsibilities they get involved in innovation to diversify their products for sale. The results revealed that land policy (23.5%) influenced a lot the innovation of tourism products and these policies also determined the empowerment of local community (23.5%). However the biggest challenge encountered was lack of seed capital to innovate and diversify the tourism products. It was concluded that innovation policies play and influential role in tourism product innovation and thus product diversification and recommend that government should involve all stakeholders in formulation and implementation of the policies.

Keywords: Innovation Polices; Tourism Product Diversification; Rwanda; SACOLA

Introduction and Review of Literature

Globally tourism policy is a key subject in tourism research, and the role of the local, national and over-national governmental bodies is emerging as a field of study. Hall and Williams [1] embrace the role of the state as coordinators, planners, legislators, regulators, sponsors, stimulators, promoters, and protectors. Hjalager, et al. [2] outline the more inclusive and interactive roles of public agents in innovation systems, for example allying the resources of educational systems with the commercial partners, facilitating trade with intellectual property, acting as “intelligent consumers”, facilitating knowledge spill-overs among others. The scope for policy interventions at the destination level also includes more traditional risk-financing, networking and incubation facilities for upcoming enterprises and projects [3]. The emerging research interest includes direct or indirect, intentional and unintentional impacts of public policies on tourism innovation. However, the literature on tourism innovation policies is mainly conceptual or prescriptive, and there is still only

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vague evidence of its effects and effectiveness. In addressing the issue of promoting innovation in tourism, an OECD report emphasizes the need to increase productivity and to reduce the cost squeeze in tourism. Herein Weiermair (2006) encourages policy makers to be careful with subsidies for innovation, due to the risk of considerable opportunism and free-riding. Much of the (so-called) innovation support to tourism is focused on facilitating market access rather than amending industry structures and products at the enterprise or destination level (Keller 2006a, 2006b). The strongest emphasis in literature is placed on collaborative and networking policies. Under particular circumstances such measures are regarded by many tourism researchers as the most workable way to pursue a distinctive and productive innovation track at destinations. Quite a few case studies demonstrate that increased, unbiased and open interaction can foster innovations and entrepreneurial initiatives (Pikkemaat and Weiermair 2007) and efficient technology transfer (Pansiri, 2008).

A balance between cooperation and competition is essential for such processes, but so is an accepted and trustworthy leadership, no matter whether this leadership is borne from below or top-managed as part of a policy strategy [2,4]. Based on the conclusion that many SMEs are disfavoured, it is suggested that innovation policies should be targeted towards the needs of these enterprises in particular (Vadell and Orfila-Sintes 2008). However, as Pechlaner, et al. (2005) recognise, modifications have to be made in terms of collaboration as a policy measure; free-riding is extensive in tourism, and the cost of collaboration is often considered too high by SMEs. Much of the tourism research restricts itself to identification of new but still untested models for collaboration. However, collaborative exercises are often very difficult and need to be addressed in a long-term perspective (Novelli, et al. 2006) and the research suggests that a change of models may be needed in the future.

It is argued by DTI [5] that innovation policies for services may turn out to be more efficient, if consistently embedded in regulative environments. The role of the Scandinavian welfare state and its intensive involvement in the provision of leisure and cultural facilities has a clear spill-over effect for tourism, which is provided not only with “free” resources, but also with encouragement to develop complementary products [6]. As a territorial manager, the state is a powerful co-producer of tourism facilities at the destinations (Keller, 2006b). Liburd (2005) and Stamboulis and Skayannis (2003) suggest that public and regulatory capabilities may be put to use in the creation of “cyberspaces” and thus contribute to the dynamism in terms of employing and harvesting the benefits of ICT.

The issues of innovation policy have not been given the priority that they deserve in tourism research. The nature of innovations in public tourism service provision, in destination management and governance, in cultural institution etc. belongs to this list of items. Policy evaluation studies are a possible short cut to information about the effects and efficiency of various specific interventions. There is a need to address the formats of innovation policies that will appeal to those categories of enterprises that policy makers would like to target (for example SMEs). A spatial approach is also crucial, for example how policies successfully affect the dynamics of industry clusters and innovation systems [7].

According to Hall, et al. [1] and Hjalager [8] climate policies may be the future catapults for significant innovations in tourism. This is supported by Saarinen and Tervo (2006), who found that adaptation strategies in the industry are modest without such targeted political and regulatory measures.

Hall and Williams [1] demonstrate that policy evaluations may be a way to provide a better understanding of the role of public support to innovation processes in tourism. Taken from the examples given by Hall and Williams, it becomes very questionable whether a special innovation policy for tourism is recommendable at all, or whether tourism, in order to achieve more comprehensive effects, may benefit more from being integrated into general national innovation policy frameworks.

Rwanda's case

The government of Rwanda has identified tourism as one of its key economic pillars and as such tried hard to promote it especially tourism in protected areas. Rwanda Development Board (RDB) and its predecessors have been responsible for management in protected areas, from road maintenance to wildlife monitoring to the provision of hospitality services. However, this approach has evolved and changed over the last few years, leading to the need for new commercial visitor use policies. Protected areas are all located within

Destination Management Areas (DMAs) and it is difficult to involve the private sector in the development of these areas without a clear policy framework. In addition, the tourism sector has registered significant progress in generating foreign currency, increasing employment opportunities and attracting investment in tourist infrastructure, facilities and services. Due to these associated benefits, the Government of Rwanda has identified it as a priority sector to attain Rwanda's development goals as set out in Vision 2020. As well as being a means for economic development, the Government firmly believes that tourism can play a major role in the conservation and preservation of protected areas in the country [9].

Investment in the Rwandan tourism sector (predominantly in the construction of hotels) over the last five years has totaled more than $500 million, and tourism receipts reached US$252 million in 2011, US$ 400 million receipts in 2017 and US$ 484 million receipts in 2018. Tourism is one of the fastest growing sectors in Rwanda and has shown significant potential for future growth. Opening up the construction, development and management of tourism facilities in protected areas as well as the provision of services and goods to the private sector by the awarding of concessions will bring much additional investment. Strong demand has already been shown by the private sector for such concessions (RDB, 2014).

To date there is visible interest in the development of DMAs from private investors and thus a clear policy and guidelines on private sector operations is in high demand. Both the Tourism Policy and Tourism Master Plan have identified the need for a Concessions Policy to guide private sector operations in protected areas. This policy sets a framework for private sector engagement in the development of protected areas and DMAs through concessions and other business and non-business permits, ranging from 5 to 20 years, depending on the activities and scale of investment. Other national related policies such as the Rwanda Biodiversity policy, the Rwanda Wildlife policy, the Rwanda Biodiversity law as well as other laws for example land law [9].

The problem for the government seems to be formulating tourism sector policies that embrace all stakeholders and development. Some important areas needing policy re-orientation or refocusing are consultation with local communities in the planning process; forging partnership with the private sector; liberal immigration regulations to facilitate free tourist movement; tourism infrastructure development policy to facilitate tourism development, for the benefit not just for tourism but the wider society. Other aspects of policy re-focusing include entrepreneurial development initiatives, policies to enhance tourist length of Stay. In a tourism context, political economy suggests that it is important for government to maintain legitimacy and influence on government processes by ensuring that the local residents support its tourism policies. Residents' support for tourism is influenced by their perceptions of the benefits and costs of the sector. Citizens trust their government to the extent that its institutions produced desired economic outcomes and meet their expectations in the economic domain. Consequently, government's inability to deal with economic challenges such as unemployment and poverty impinges on citizens' trust. Government of Rwanda is the principal actor in the political process of tourism development and has usually adopted a more interventionist approach in tourism development than in other sectors. Government controls the industry through formal ministries, other institutions, legislations, and various programs and funding initiatives, and intervenes in tourism for environmental, political, and economic reasons. However, local residents' reluctance to accept developments have meant that governments' roles in the sector have extended beyond economic considerations to address the environmental and social consequences of development (RDB, 2014).

Materials and Methods

The Volcanoes National Park is located on 1°30’5, 29°’E or 1°21’ - 1°35’ South, 29°22’- 29°44’ East, depending on the source is situated in the North of Rwanda bordering Democratic Republic of Congo (DRC) and Uganda and covers medium and high altitudes towards the south of Virunga Chain (Plumptre., et al. 2004; ORTPN, 2005). Its length is around 40 km and its width varies from 8 km to 1 km. The interface of Volcanoes National Park with its local population is around 60 km; the surface area of the park is about 160 km². The altitude varies from 2400m to 4500m, the highest point being the top of Karisimbi (4507m). The park is located in a chain of dormant volcanoes called Ibirunga. The volcanoes include Muhabura, Gahinga, Sabyinyo, Bisoke, and Karisimbi. The park lies within the Provinces of Gisenyi (15%) and Musanze (85%) along the border of the DRC and Uganda (Plumptre., et al. 2004; ORTPN 2005). Its length is 40 km and its

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width varies from 8 km to 1 km and the interface with the local population is 60 km; and it covers 160 km². The average population density is 690.1 persons per km², exerting a lot of stress on the resource base for food production, settlement and fuel wood.

The methodology comprised of the research design which was the plan of how the study was to be carried out. In this study the research design was descriptive and involved use of both qualitative and quantitative data. The study also used primary and secondary data to get clear meaning of the results. In this study the target population was 52 local handcraft communities (Sabyinyo Community Livelihood Association (SACOLA) adjacent to the park. The sample was obtained through purposive sampling especially the local community association (SACOLA) close to the boundary of the park using slovin’s formula n = N/(1+Ne²). Where N is the target population (52), n refers to the sample (34) and e is the estimated error which was 10% or 0.1. The tools used for obtaining data and included; interviews, questionnaires and observation. The researcher used self-administered questionnaire which had both open ended and closed ended questionnaires. Analysis of data involved editing, coding, processing and in this study used statistical methods as well as the computer packages such as excel to obtain frequencies and percentages. The objectives of the study were; To establish tourism policies that influence tourism product innovation; To investigate the contribution of the policies to tourism product innovation; To determine the challenges encountered in tourism product innovation and To suggest possible solutions to the challenges faced.

Results and Discussion

This section presented the results obtained in regard to the objective above and the presentation was done in form of tables and essay form. The bio-data was presented first followed by details of the results as indicated below;

Results from table 1 above indicated that the females were the majority involved in tourism product making (handcraft) business represented by 64.7% and 35.3% were the males. These results point to the fact that females around the protected area are more involved in tourism product innovation that their males counterparts.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>12</td>
<td>35.3</td>
</tr>
<tr>
<td>Female</td>
<td>22</td>
<td>64.7</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 1: Gender of respondents.

The results in table 2 above revealed that the age group involved so much in tourism product innovation was between 26 and 55 which implied that these were mainly local community with family responsibilities and so used the association as an income generating activities. This also was the age group that had a lot of interest in innovation in order to diversify their products for business compared to age group 25 years below and 55 years above.

<table>
<thead>
<tr>
<th>Age group</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 25 years</td>
<td>3</td>
<td>8.8</td>
</tr>
<tr>
<td>26 - 35 years</td>
<td>9</td>
<td>26.5</td>
</tr>
<tr>
<td>36 - 45 years</td>
<td>11</td>
<td>32.4</td>
</tr>
<tr>
<td>46 - 55 years</td>
<td>7</td>
<td>20.6</td>
</tr>
<tr>
<td>55 year above</td>
<td>4</td>
<td>11.7</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 2: Age group of respondents.

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Results from table 3 above indicated that the most influencing policy on innovation of tourism products is the land policy. According to the majority of the respondents represented by 23.5% pointed out that the land is regulated by government and so any activity to be done has to be verified by the government. This in one way hinders innovation because land/location is one key factor in business and so can limit any creativity if not available to establish your business. Other policies mentioned that are of great influence included registration policies and environmental laws represented by 17.6% each. These were highlighted by respondents that no business entity can be established without registering with registrar of companies and its procedures are long and involve many steps from cell to district level. Therefore, for some people its discouraging process. Whereas the environmental law mainly hinders any business in the park because for example in Volcanoes National Park, no business establishment is allowed so it means it limits anyone to start for example eco-lodge to not be motivated. However, policies such as intellectual property law (8.8%) was rated lowest implying it influences on a small scale because most of the people are not aware it even exists and yet it directly influences innovation. Similarly taxation laws (11.8%) were not rated highest due to the fact that at the initial stages of innovation businesses the tax incentives are given though the respondents argued that some imported raw materials are imported and taxed as well as they paid for license to operate any business.

<table>
<thead>
<tr>
<th>Policies</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intellectual property law</td>
<td>2</td>
<td>8.8</td>
</tr>
<tr>
<td>Land policy</td>
<td>8</td>
<td>23.5</td>
</tr>
<tr>
<td>Tourism policy</td>
<td>5</td>
<td>14.8</td>
</tr>
<tr>
<td>Taxation laws</td>
<td>3</td>
<td>8.8</td>
</tr>
<tr>
<td>Health and safety law</td>
<td>4</td>
<td>11.8</td>
</tr>
<tr>
<td>Environmental law</td>
<td>6</td>
<td>17.6</td>
</tr>
<tr>
<td>Registration policies</td>
<td>6</td>
<td>17.6</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 3: Policies that influence innovation of tourism products in and around VNP.

Results in table 4 revealed that as a result of innovation, there are benefits derived from it and the majority of the respondents represented by 23.5% agreed that they were able to empower themselves from the innovated tourism products. The respondents added that they were able to improve their livelihood due to the policies that have catalyzed their innovations and all these were represent by 17.6%. Not only that, another contribution revealed was the increase in the variety of tourism products also scored 17.6% and this gave a wider choice to the tourists to make which resulted in more purchases. These more purchases as observed culminated into more increase in income as indicated by 14.8% provided by the respondents. Although improve in skills was rated lowest with 5.9% because most of the respondents argued that they have the skills but a few hindrances were the ones did not allow their creativity.

<table>
<thead>
<tr>
<th>Contribution</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve quality of products</td>
<td>3</td>
<td>8.8</td>
</tr>
<tr>
<td>Increases variety of products</td>
<td>6</td>
<td>17.6</td>
</tr>
<tr>
<td>Increase income</td>
<td>5</td>
<td>14.8</td>
</tr>
<tr>
<td>Attract more customers</td>
<td>4</td>
<td>11.8</td>
</tr>
<tr>
<td>Improve livelihood of local community</td>
<td>6</td>
<td>17.6</td>
</tr>
<tr>
<td>Improve skills</td>
<td>2</td>
<td>5.9</td>
</tr>
<tr>
<td>Help empower the local community</td>
<td>8</td>
<td>23.5</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 4: Innovation policies contribution to product diversification in and around VNP.

The findings in table 5, suggested that the significant number of respondents 20.6% agreed that lack of seed capital has played a big role in limiting the implementation of innovation policies. This was further argued by respondents that most of them can develop unique products but when there is no capital then it becomes difficult. Additionally, the respondent pointed out that lack of awareness 17.6% and in most cases duplication of products 17.6% hampers the innovation activities. In this case they voiced their worry that at times they don’t get any information about product development and so they miss out. Also, some pointed out the situation where some people duplicate or pirate other people’s ideas and products and this kills the creativity spirit. In the same line the results revealed that lack of participation in innovation ideas 11.8% argued by a substantial number of respondents mentioned that they are sidelined in taking part in any creativity processes. Finally, few of the respondents highlighted harmonization of laws and local community perception 8.8% as a challenge that limit innovation of tourism products in and around Volcanoes National Park.

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of awareness</td>
<td>6</td>
<td>17.6</td>
</tr>
<tr>
<td>Illiteracy</td>
<td>3</td>
<td>8.8</td>
</tr>
<tr>
<td>Lack of participation in innovation ideas</td>
<td>4</td>
<td>11.8</td>
</tr>
<tr>
<td>Lack of seed capital</td>
<td>7</td>
<td>20.6</td>
</tr>
<tr>
<td>Harmonizing the laws</td>
<td>3</td>
<td>8.8</td>
</tr>
<tr>
<td>Local community perception</td>
<td>5</td>
<td>14.8</td>
</tr>
<tr>
<td>Duplication of products</td>
<td>6</td>
<td>17.6</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

*Table 5: Challenges faced in implementing the innovation policies in and around VNP.*

Results in table 6 above showed that majority of the respondents suggested that the main solution was to monitor the implementation of the policies represented by 26.5% in order to ensure they achieve the destined goal. Similarly, another big number of respondents suggested that sensitization of local community represented by 23.5% was another key possible mitigation measure that can be applied. Additionally, 20.6% of respondents in their opinion said regulations for implementation of policies was required to warrant innovation of the tourism products was achieved. Finally, some few respondents suggested that creation of cooperatives may be another solution because this could pool creative ideas which can bring about creativity and combine their strength to overcome weaknesses in the tourism product innovation [10-56].

<table>
<thead>
<tr>
<th>Solutions to challenges</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensitize the local community</td>
<td>8</td>
<td>23.5</td>
</tr>
<tr>
<td>Creation of cooperatives</td>
<td>4</td>
<td>11.8</td>
</tr>
<tr>
<td>Involve all stakeholders</td>
<td>6</td>
<td>17.6</td>
</tr>
<tr>
<td>Monitoring the implementation</td>
<td>9</td>
<td>26.5</td>
</tr>
<tr>
<td>Regulations for implementation</td>
<td>7</td>
<td>20.6</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

*Table 6: Possible solutions to challenges that limit innovation policies for tourism product innovation.*

**Conclusion**

In line with the above results, it can therefore be concluded that innovation policies particularly for tourism product development are required based on the contribution they make. From the above results it can be concluded that innovation policies exist and influence innovation of tourism product especially the land policy. Also, these policies contributed a lot to the local community especially in
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empowering them as well as improving their livelihood. However, the influence of these policies faced challenges majorly lack of seed capital, lack of enough sensitization of the local community as well as the challenge of duplication of the tourism products. Consequently, suggested solutions to the challenges were identified for instance to carry out sensitization of the locals, monitoring the innovation process and product development as well as putting in place implementation regulations to enable the success of innovation of tourism products

Recommendations

In reference to the results above, the study following recommendations were suggested:

- The government should involve key stakeholders especially in key aspects of innovation policy formulation so that they incorporate all the concerned parties
- There should be continuous marketing and promotion of innovated tourism products so that the local community can be able to benefit from them.
- The government and other stakeholders should encourage those involved in tourism product development to get exposure from those already ahead of them or outside the country.

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