

**DEVELOPMENT OF ANGOLA AS A POST-WAR TOURISM DESTINATION: THE  
ROLE OF SMALL AND MEDIUM ENTERPRISES IN TOURISM IN LUANDA  
PROVINCE**

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## **ABSTRACT**

Post-war countries face a challenge in the process of re-entering the tourism market for several reasons. The damage and deaths caused by the violent war environment create the challenges of restoring their image, their economy and of asserting security. As a result, post-war countries have limited monetary resources for development. For this reason, they turn to tourism to help in their development and utilise Small and Medium Enterprises (SMEs) in the process to establish the foundations for tourism development. SMEs play an important role in the development process because they provide products and services and create jobs. This study explores the factors related to developing tourism in a post-war tourism destination, along with the importance of SMEs in the developing country context. Angola is used as case study of such a post-war tourism destination; despite the country's great potential, it is unable to compete effectively as a desirable tourism destination.

Multi-method qualitative research was conducted to collect data from eight government officials as well as 11 local business owners in Luanda Province. It was found that government officials and business owners have the same perspectives on the importance of SMEs and peace for the development of Angola. The study presents a framework for the successful support of SMEs in post-war tourism destinations. The most important aspects include: the importance of peace for development; the importance of SMEs for tourism and development; the business environment infrastructures; and the encouragement of government for the establishment of tourism SMEs.

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# CHAPTER 1: INTRODUCTION TO THE STUDY

## 1.1. BACKGROUND

Post-war countries face several challenges in the process of re-entering the tourism market. The damage and deaths caused by the violent war environment create the challenges of restoring their image, their economy and of asserting security (Ladki & Dah, 1997). Image restoration is difficult because mass media has the tendency to magnify and repeatedly show visual representations of devastation in a destination (Muhwezi, Baum & Nyakaana, 2016) This hampers the growth of tourism due to the exaggeration and misinformation of the account (Ryu, Bordelon & Pearlman, 2013:187).

In efforts to renew their image as tourist-friendly destinations, post-war countries such as Slovenia, Croatia, and Montenegro focused on the reconstruction of tourism infrastructure such as facilities and roads to accommodate tourists and locals. Croatia focused on its economic recovery first in order to attract foreign investment. Bosnia and Herzegovina signed the “General Framework Agreement for Peace” in order to reassure tourists that their region was safe to travel to (Novelli & Morgan, 2012). Apart from the reputation damage of war-torn countries, economic constraint prevails because civil conflicts involve the spending of resources on weapons, food and medical assistance, which has an effect on how the remaining resources from war should be allocated in the post-war situation (Ladki & Dah, 1997). As a result, the “end of a civil conflict brings competing demands on the limited government resources” (Ladki & Dah, 1997:41). After a crisis countries are likely to invest in infrastructure, agriculture, education and health, because these are the vital sectors needed for the development of the country. In some cases very specific efforts need to be made to ensure the wellbeing of residents and to reconstruct and strengthen its economic sector – for example, the clearing of landmines such as in the case of Angola, Mozambique and other African countries. According to Allen (2015), Mozambique cleared its landmines after two decades of work. Additionally, Angola has made the commitment to clear all landmines by 2025 (Lawson, 2017). Governments invest in such efforts for reasons beyond the aim of just repairing the

country's international reputation. This effort is made so that citizens can move freely and successfully, and for development to take place throughout the country.

Post-war destinations have a unique challenge to ascertain security and to counter visitors' fear of placing their lives and plans in jeopardy (Ladki & Dah, 1997). This fear or 'perceived risk' has a significant influence on travel intentions (Ryu *et al.*, 2013:189). Apart from the importance of visitor perceptions, tourism destinations can only thrive in an environment of peace because peace offers the opportunity for social development, economic development, cultural development, and growth as a whole (Novelli & Morgan, 2012:1446-1448; Causevic & Lynch, 2013:145-148:154). Perception is a thought, belief or opinion, often held by many people and based on appearances (Baloglu & Henthorne, 2014). Additionally, peace has various descriptions – from unthreatened state and individuals, to mutual understanding, cooperation, and tranquillity within the state both internally and externally (Webel & Johansen 2012:39; Barash & Webel, 2014:4). This leads to political stability, which is the absence of violence in the environment (Amavilah & Asongu 2014). Therefore, tourism cannot thrive in a climate of political instability and war because these factors result in destruction and poverty, which delays development (Novelli & Morgan, 2012:1446-1448; Causevic & Lynch, 2013: 145-148:154). For this reason, it is challenging for some African countries to develop tourism due to several years of political instability after the decolonization of Africa.

The decolonization of Africa left some countries with political instability due to the different organisations formed during the struggle for independence (Rosslea, 2011:300-305; Finseth, 2006:21). Examples of these organisations are the Mozambique Liberation Front (FRELIMO); the Mozambique National Resistance (RENAMO); the People's Movement for the Liberation of Angola (MPLA); the National Union for the Total Independence of Angola (UNITA); the South African National Party and the African National Congress (ANC). As people with different ethnic backgrounds and mind-sets created political organisations with segregated beliefs on the future direction and management of their respective countries, most of them were plagued with civil war in the quest for political, economic, and social

power (Collins & Burns, 2014; Roessler, 2011; Finseth, 2006; Birmingham, 1995; Hargreaves, 1991).

It is within this post-war setting that tourism comes to play as a tool for development, as it has been instrumental in this regard for many decades around the world, especially in African countries (Aslan, 2014). Countries such as South Africa, Rwanda, and Namibia are among the most popular African post-war countries involved in community-based and cultural tourism for the development of disadvantaged areas as a result of a period of conflict (McLachlan & Binns, 2014; Stone & Stone, 2011). The structure of these types of tourism originates in the growth of the community in which development occurs through psychological, social, and economic empowerment, thus resulting in the development of tourism facilities and human resources trained to sustain the opportunities offered by tourism (McLachlan & Binns, 2014; Stone & Stone, 2011).

An important factor that contributes to tourism as a form of development in developing countries is the establishment of Small and Medium Enterprises (SMEs) such as accommodation, restaurants, transportation, and travel services (Pierce, 2011; Gartner, 2004:50; Wanhill, 2004:54). Although Europe invests in the development of SMEs through funding, Africa in particular struggles to thrive due to various limitations including poor infrastructure, poor accessibility, the need for extra funding, an unskilled workforce, weak management skills, non-existent levels of savings and strained international relations (Pierce, 2011; Gartner, 2004:50; Wanhill, 2004:54). According to Fjose, Grünfeld and Green (2010:3-5), SMEs have tremendously contributed to the economic growth of various countries in Sub-Saharan Africa due to an increase in investments fuelled by an improved business environment. In other words, if SMEs exist within an environment with the limitations previously discussed, they are likely to struggle for their existence. Therefore, the involvement of government in the development of a healthy environment by building proper infrastructure and providing accessibility and financial assistance is vital for the existence and maintenance of SMEs (Cooper, 2012:244-247). However, government cannot provide all resources by itself; it needs help from the private sector (Cooper, 2012:244-247).

Angola, as the case study of this research, displays a strong growth of SMEs, but also faces difficulties for being a post-war developing country. Developing countries are countries with low income, low standard of living, and low industrial production levels (Somvanshi, 2016).

This study focuses on SMEs in the province of Luanda. Known as the capital of Angola, the province of Luanda is located on the western coast of Angola bathed by the Atlantic Ocean. Luanda has grown tremendously over the years and is one of the largest cities of Angola with over four million inhabitants (Journal de Angola, 2010). This is visible in the new façade of the province along with its infrastructure (Angonoticias, 2015). According to a study conducted by PricewaterhouseCoopers (PWC) (cited in VerAngola, 2015), Luanda is one of the 20 most promising cities for business investments and enterprises in Africa, while according to Macauehub (2014), more than 2 700 small and medium enterprises opened in Angola. Additionally, the Angolan parliament approved a law in 2011 for SMEs, in which SMEs were considered to be businesses that employ more than 10 employees, and no more than 200 employees (Carvalho & Costa, 2012). This research focused on the number of employees.

Sub-Saharan Africa is home to unique natural and cultural attractions, which lure tourists from all over the world including Africa itself. For this reason, it is no surprise that among the top 100 destinations in the World Travel and Tourism Competitiveness Index in 2015, South Africa ranked 48, Seychelles at 54, Mauritius at 56, Namibia at 70, and Kenya at 78, among the top 100 destinations in the World Travel and Tourism Competitiveness Index for the year of 2015. In competitiveness, a country under free and fair market conditions can produce goods and services which meet the standards of international markets, while maintaining and expanding the real incomes of its people over the longer term ” (Dwyer & Kim, 2003:371). Unfortunately, this is not the case for Angola, which ranked at 139 out of 141 (WEF, 2015a). Angola’s economy under the Global Competitiveness Index for the years of 2014 and 2015 ranks at 140 out of 144, whereas South Africa ranked at 56, Botswana at 74, Namibia at 88, and Zambia at 96 (WEF, 2014d). This problem emerges again in regional tourism rankings where South Africa is ranked number 1

out of 33, Namibia at 4, Botswana at 7, Zambia at 10 and Angola at 31 (WEF, 2015a; 2015). Perhaps the case of Angola will meliorate once there are changes in its various aspects that range from institutions, infrastructure, macro and micro economic environments, the financial and business market, labour market efficiency, and higher education and training (WEF, 2014d).

## **1.2. PROBLEM STATEMENT**

Increasingly, developing countries, especially those recovering from political turmoil, are turning to tourism for renewal and sustained development (Novelli & Morgan, 2012; Buultjens, Ratnayake & Gnanapala, 2016). Post-war countries have to work twice as hard to rise above their competitors (Fernando, Bandara & Smith, 2013). Due to the various challenges faced in a post-war environment, Angola struggles to establish its competitiveness in the tourism industry. This is because SMEs are important in the development of many countries worldwide (Ramukumba, 2014; Gamge, 2014), yet they are not given adequate support to sustain operations. Additionally, there is the scarcity of literature concerning the role of SMEs and tourism for development in post-war countries.

## **1.3. PURPOSE STATEMENT**

The purpose of this study is to discuss Angola's development as a post-war tourism destination in terms of progress toward competitiveness. Specific focus is on the SMEs in Luanda Province as important stakeholders that should be contributing toward such development. The aim is to understand their unique characteristics, role played within the tourism sector, as well as the challenges that they experience.

## **1.4. STUDY OBJECTIVES**

The study objectives are to:

- Understand the unique aspects surrounding post-war tourism destination development.
- Identify the components of the destination development process.
- Understand the role of small and medium enterprises in tourism destination development.
- Describe the development of Angola's tourism industry in the post-war period.

- Determine the roles played by SMEs in tourism in the province of Luanda.
- Develop a set of guidelines for the effective inclusion of SMEs as a stakeholder in post-war destination development.

## **1.5. GLOSSARY OF TERMS**

### **Adaptive capacity**

Adaptive capacity is the ability of a system to respond successfully and to adjust to the changes in the environment by taking advantage of opportunities and coping with consequences (Ensor, Park, Hoddy & Ratner, 2015).

### **Competitiveness**

Competitiveness may also be defined as “the degree to which a country can, under free and fair market conditions, produce goods and services which meet the tests of international markets, while simultaneously maintaining and expanding the real incomes of its people over the longer term ” (Dwyer & Kim, 2003:371).

### **Destination competitiveness**

This refers to “[a] destination’s ability to increase tourism expenditure, to increasingly attract visitors, while providing them with satisfying, memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations” (Ritchie & Crouch, 2003:2)

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### **Destination development**

Destination development is the integration of social, economic, natural and human resources for the creation of institutions, products and services at a specific geographical location (Ness, Aarstad, Haugland & Gronseth, 2014).

**Developing country**

A country with a low income, a low standard of living, and low industrial production levels (Somvanshi, 2016).

**Small and Medium scale enterprises (Angolan definition)**

Small and Medium scale enterprise has more than 10 employees, no more than 200 employees (Carvalho & Costa, 2012). The research focuses on the number of employees.

**Perception**

A thought, belief or opinion, often held by many people and based on appearances (Baloglu & Henthorne, 2014).

**Political stability**

Political stability is the absence of violence in the environment (Amavilah & Asongu 2014).

**Post-war tourism**

Post-war tourism refers to the development of tourism after a war, when destinations make efforts to recover the image of their country by making investments in infrastructure, economy, security, and human resources (Dominique & Lopes, 2011; Ladki & Dah, 1997).

**Safety**

In tourism, safety takes into account the safety and security needs of customers and the operative environment (Niemisalo, 2013).

**Social stability**

Social stability is the ability of the community to mitigate tensions and prevent conflicts, including the presence of facilities, policies and youth empowerment (UN, 2017).

## **Stakeholders**

Stakeholders are “actors with an interest or stake in a common problem or issue and include individuals, groups, [and] organisations directly or indirectly influenced by the action others take to solve a problem” (Jamal & Stronza, 2009:173).

## **1.6 LIST OF ABBREVIATIONS**

<b>AAVOTA</b>	Association of Travel Agencies and Tour Operators of Angola
<b>AHRA</b>	Angolan Hotels and Resorts Association
<b>Angop</b>	Angola Press Agency
<b>BER</b>	Bureau for Economic Research
<b>DDR</b>	Disarmament, Demobilization, and Reintegration
<b>GUE</b>	Guiché Único da Empresa ( <i>Single Business Counter</i> ) is a public institution responsible for facilitating the entry, alteration and exit of enterprises
<b>IFEA</b>	International Festivals and Events Associations Africa Directory
<b>Infotur</b>	Tourism Promotion Institute of Angola
<b>INAPEM</b>	National Aid Institute to Micro, Small and Medium Enterprises of Angola
<b>ITC</b>	International Trade Centre
<b>NTB</b>	National Tourism Board of Sierra Leone
<b>RETOSA</b>	Regional Tourism Organisation of Southern Africa

<b>SDG</b>	Sustainable Development Goals
<b>SME</b>	Small and Medium Enterprises
<b>TAAG</b>	Angolan Airlines
<b>TEP</b>	Tourism Enterprise Partnerships
<b>TPA</b>	Public Television of Angola
<b>UN</b>	United Nations
<b>UNWTO</b>	World Tourism Organisation
<b>WEF</b>	World Economic Forum
<b>WTTC</b>	World Travel and Tourism Council

## **CHAPTER 2: POST-WAR TOURISM DESTINATIONS**

This chapter will cover the following: firstly a discussion of the post-conflict environment, as well as destination development in the context of post-war countries. This will include the issues of what post-war tourism destinations are; tourism as a tool for development; the positive and negative aspects of tourism; stakeholders that form part of the destination; and the importance of SMEs for destination competitiveness. Chapter 3 will follow with a deeper exploration of the important role of small and medium scale enterprises.

### **2.1. POST-WAR ENVIRONMENT**

Countries in post-war stages of development differ in many aspects because they are unique in terms of location, politics, economy and society. Since they differ in these factors, they also differ in terms of development (Brown, Langer & Stewart, 2011). For example, the reality of Angola differs from that of Rwanda, Sierra Leone, and Mozambique. This is because countries face different challenges and opportunities within their internal environments. They have different potentials and realities that enable them to either develop at a fast or slow pace (Brown *et al.*, 2011). Additionally, post-war countries also differ in terms of the conflict timeframe, because some countries experience longer periods of conflict than others, and some countries experience more casualties and havoc than others. For this reason, post-war countries have different advantages and disadvantages in the process of reconstruction and development (Brown *et al.*, 2011).

Although post-war countries differ in terms of development and re-construction, they all go through the process of 'Disarmament, Demobilization, and Reintegration' (DDR) (Brown *et al.*, 2011; Knight, 2008:28-29). Disarmament is the collection of weapons from civilians and soldiers. Demobilization concerns the transition from a combatant to a civilian lifestyle. It includes the transition of government soldiers and rebel forces from camps and jungles, to a centre of rehabilitation and back into society. Reintegration is the repatriation of refugees and displaced people back into

society or a country, as well as the assimilation of ex-combatants. The main goal of reintegration is to re-enforce reconciliation (Brown *et al.*, 2011; Knight, 2008:28-29).

Once the DDR processes are successfully completed with the clearing of mines, a country can then start to rebuild and develop itself. On the other hand, if the DDR process is not well integrated, established and completed, conflict is likely to start again. As stated by Knight (2008:33), “DDR does not guarantee that peace will be sustained, but it helps to create a climate of security in which peace can flourish”. In other words, DDR does not promise anything; it does not promise peace, it does not promise security or stability. It is an attempt to establish peace in a secure environment, which can only succeed if all stakeholders such as the government and its soldiers, rebel leaders and their soldiers come to a respectful agreement and collaboration that benefits both parties. Stakeholders are “actors with an interest or stake in a common problem and include individuals, groups, [and] organisations directly or indirectly influenced by the action others take to solve a problem” (Jamal & Stronza, 2009:173).

For example, the DDR process failed in Angola when the National Union for the Total Independence of Angola (UNITA) refused to accept the outcomes of the 1992 elections (Knight, 2008:35). There was another attempt at the DDR process, which once again failed in 1993 and from there on conflicts continued until 2002 (Knight, 2008:35). DDR in Angola was only successful after the death of Jonas Savimbi the leader of the rebel forces. This demonstrates that sometimes the leader of the opposition must be defeated for the process of DDR to be successfully implemented. Today, some of the soldiers and dependents of UNITA have been integrated into society, some serve in the government’s army, some continue to hold their positions as leaders, and some have everyday normal jobs in different sectors. Displaced people are no longer hiding in jungles in fear, and some refugees have returned to the country to re-start their lives.

Where Angola failed to implement DDR during its first attempt, Liberia was successful. Liberia succeeded during its first attempt because agreements were kept and there was no hostility in the process. However, Sierra Leone also failed in its first attempt to implement DDR in 1998 and again from 2000-2001 due to mistrust,

hostility and accusations between government and rebel forces (Knight, 2008:40-42). This means that besides the factors discussed above there are also the factors of psychological help, socio-economic help, development and the creation of unity involved in the process of DDR. Overall, a post-conflict country must first address the issues related to DDR in order to prepare itself for development.

## **2.2. POST-WAR TOURISM DESTINATION DEVELOPMENT**

Tourism has been recognised as a very important vehicle for the development of a country after a period of war (Fernando *et al.*, 2013). Post-war tourism refers to the development of tourism after a war (Dominique & Lopes, 2011; Ladki & Dah, 1997). However, few studies focus on post-war tourism destinations as one topic, because the majority of literature solely focuses on post-war recovery alone (Gilligan, Pasquale & Samii, 2013:8; Chen, Loayza, Querol & Marta, 2006). Post-war countries have to work twice as much to lift themselves among competitors by starting with the implementation of tourism policies and strategies, which can take years before the actual development takes place (Fernando *et al.*, 2013). In tourism, political instability has to be avoided because tourists are in search of an environment where they can enjoy themselves without fearing for their safety. In tourism, safety takes into account the safety and security needs of customers and the operative environment (Niemisalo, 2013). Political instability creates fear within the international atmosphere. As discussed by Tang and Abosedra (2014:460), this can lead tourists and investors to choose a safer location where they can secure their investment or enjoy their trip. According to Saha and Yap (2013:1-10), political instability decreases the tourist flow to a destination, as well as foreign income and development, because the sending country warns its citizen not to travel to unstable political countries.

Moreover, Wang and Pizam (2011:303-306) state that political instability causes a decline in the number of visitors to a destination. For example, Ingram, Taben, and Watthanakhomprathip (2013:98) state that due to the strikes of an anti-government people's alliance known as 'The Yellow Shirts' in Thailand, the Suvannabhumi airport had to close. As a result, more than 3 000 passengers became stranded, which gave

rise to the cancellation of actual and potential visitors to Thailand. Another example of the effects of instability on tourism is the September 11 attack in the US. According to Bysyuk (2010), after the terrorist attack of 11 September 2001 the United States lost US\$ 2 billion within two weeks, and its GDP lost US\$ 27.27 billion, which included the loss from the air and hotel sectors of US\$ 5 to US\$ 5.9 billion (2010:12-13). These examples demonstrate that tourists avoid places that threaten their safety. For this reason, the government needs to take control of the environment by ensuring stability of the growth and development of tourism.

Tourist perceptions of a country's stability form an important part of the tourism destination. A tourism destination can only thrive within an environment of peace because peace offers the opportunity for social development, economic development, cultural development, and growth as a whole (Novelli & Morgan, 2012:1446-1448; Causevic & Lynch, 2013:145-148:154). Peace has various descriptions – from unthreatened state and individuals, to mutual understanding, cooperation, and tranquillity within the state both internally and externally (Webel & Johansen 2012:39; Barash & Webel, 2014:4). Tourism cannot thrive in a climate of political instability and war because these factors result in destruction and poverty, which delays development (Novelli & Morgan, 2012:1446-1448; Causevic & Lynch, 2013:145-148;154). Therefore, it is challenging for some African countries to develop their tourism industries due to several years of political instability. Angola, the focus of this research study, is one of several African countries faced with this challenge.

Perception within this context relates to how consumers and other competitors view a specific brand or destination within the market (Tsai, Su & Chen, 2011:761-767). Perception is important because it differs from person to person, information availability and the position from which the observer analyses the destination (whether being the social, political, economic, cultural, technological, infrastructural or environmental aspects). Visitors are able to understand what influences tourist decisions, only after gaining understanding from a specific angle. Hugo (2014:15-16) states that the media often emphasises and magnifies a small number of crimes towards tourists, which can be experienced at any destination; thereby hampering the number of future tourists to that destination. As stated by Muhwezi *et al.*

(2016:33), “negative image results in negative perceptions”. Still, tourism is a very important vehicle for the development of a country after a period of war as it stimulates development, encourages the establishment of businesses and the creation of employment (Nunkoo, 2015:625).

Despite the negative effects of war on tourist perceptions, there could be positive results for the destination. According to Bigley, Lee, Chon, and Yoon, (2010) and Stone (2012), “war is one of the great tragedies of human kind, [however] the outcome of war can be utilised to stimulate post-war tourism through the commercialisation of physical sites, nostalgia, and museums”. The reason for this is that tourists are interested in war related destinations; some famous examples are the Holocaust Museum in Berlin (Stone, 2012); the Battlefields in Kwazulu Natal in South Africa (Van der Merwe, 2012); the 9/11 memorial in New York, USA (Tracey, 2012); and the Rwandan genocide memorial (Gander, 2017). Some countries use memorials to remember the conflicts and to commemorate the fallen, as well as to share with the rest of the world. However, others choose not to share their loss with the world, as discussed in the examples below.

### **2.3. EXAMPLES OF POST-WAR TOURISM DESTINATIONS**

Post-war countries have to consider what Arnaud (2016:281) refers to as “touristicity”, which is a term concerning the degree of attractiveness of a destination and the potential of a territory to attract tourists. Touristicity includes tangible, intangible, social, and physical factors, which can make a country succeed or fail in its attempt to re-establish itself in the tourism market after a period of war (Arnaud, 2016). It is possible to say that touristicity also determines competitiveness, because is linked to a country’s climate, natural resources, accessibility, cost, distance, hosting capacity, political, and economic situation. However, the success or failure of utilising touristicity to attract tourists depends on the perspective held by the targeted group about the country (Arnaud, 2016:282).

For example, besides looking at reconstruction of infrastructure, Croatia as a post-war country had to look at its touristicity. In order to attract more people, Croatia

created an image to meet tourist's perspectives and perceptions by omitting the images of war, and chose to substitute their personalised image with that of the ideal Mediterranean (Arnaud, 2016). In other words, Croatia chose to identify itself with its neighbouring countries on the Mediterranean in order to have a sense of belonging, instead of isolating itself by relying on its post-war conflicts for tourism. Therefore, in order to recover as a tourist destination Croatia relied on a tourism model from the past prior to the experience of war, as well as on the country's ancient history and novelty to target people. This new novelty of the country omitted certain information about conflict and the restriction of tourists from visiting certain areas containing traces of war. Despite omitting war related marketing, the country has various war memorials inscribed in a language that tourists cannot understand or fully access. This makes tourists think of the memorials simply as art (Arnaud, 2016:284-287).

Unlike Croatia, Sarajevo chose to re-establish itself in the tourism market by utilising war related images also known as dark tourism. By utilising images of war the country was able to sell itself, because people are interested in visiting sites associated with conflict, death, and destruction (Volcic, Erjavec & Peak, 2014:729-730). Additionally, Sarajevo used journalists to collect information to create narratives to brand the country as a dark tourism destination by using the images of war and courage of the Sarajevo people, hereby enabling global sympathy and admiration for the country and its people, while creating national unity. According to Stone (2012) in Western secular society, death is recreated for consumption and provides a physical place, which creates a link between the living and the dead. Tourists travel to dark tourism sites to gain exposure to suffering and death, and to be able to understand its phenomenon, because the 'normal' end of life differs from a tragic death (Stone, 2012). For this reason, tragic deaths are commercialised and normal deaths are not. Sarajevo thus chose to share its social issues with the world, and not conceal them.

Additionally, Rwanda is a country known for its 1994 genocide (Kalembe, 2015: 62) that occurred during the civil war. For this reason, the country faced difficulties in transitioning from that negative image to a positive image of a new and progressive country. According to Kalembe (2015:71), Rwanda utilised international and national exhibitions by targeting people interested in wildlife and culture to re-establish itself

in the tourism market with a new image. Today, Rwanda is a tourism success story and has been able to attract foreign investment. According to Santos and Mendonça (2014:1959-1961), exhibitions bring buyers and sellers into one commercial setting with the opportunity to interact with a wider audience and potential business partners. Sierra Leone, as a post-war destination, faces difficulties in re-branding itself due to the absence of funding to create a new image for the country (Trenchard, 2013). Sierra Leone boasts natural beauty; however the war caused people to associate the country with “blood diamonds and child soldiers” (Trenchard,2013:1).This is problematic because the lack of funding limits the country from moving forward in terms of general development (Trenchard, 2013). The country has a national tourism board website; it offers chimpanzee sanctuary, village and heritage tours. Some of the international hotels include the Radisson Blu and Brookfield (NTB, 2017).

In conclusion, by looking at these examples it is noted that post-conflict countries use different strategies to re-establish themselves in the market, such as by avoiding the images of war and being part of one identity as in the case of Croatia. Some share the images of conflict with the world as in the case of Sarajevo, while others only focus on the future and natural resources as in the case of Rwanda. One noted aspect of these destinations is the difficulty of clearing their image by convincing tourists that the destination is at peace and has changed. This is especially apparent in the case of Sierra Leone and Rwanda, where the international community still associates the countries with the image of war.

## **2.4. TOURISM AS A TOOL FOR DEVELOPMENT**

Countries such as South Africa, Seychelles, Mauritius, Namibia and Kenya are some of the African countries that benefit highly from tourism as a source of income (Crotti & Misrahi, 2015; World Economic Forum, 2015). Some of the factors that affect the potential for the development of tourism worldwide are the consumption of tourism; the tourism production system; the global political economy; the global socio-cultural environment; and destination characteristics. These factors have to be in harmony and combined with government and private sector involvement (SMEs) because it is impossible for the government to develop everything by itself due to the lack of funds

(Novelli & Morgan, 2012; Sharpley, 2009). For this reason, SMEs are important because they can help in the establishment of local economy and development. SMEs are responsible for providing local amenities and services at tourist destinations (Cooper, 2012). The government is not able to operate in its own capacity because it will be concerned with reforming national security and creating policies to enable the development of the country, as well as reforming public institutions (Detzner, 2017). Additionally, the government is expected to create policies and laws to help private sectors in terms of operations and investments.

Based on previous research conducted by scholars in the field, tourism has been used as a tool for development in developed and developing countries in Europe, Latin America, Africa and Asia (Rogerson, 2015; Saarinen & Lenao, 2014; Klytchnikova & Dorosh, 2012). Additionally, for tourism to be a successful mechanism used for development, it has to be aligned with other sectors that play a role in development, such as industrial, agricultural, and construction sectors (Rogerson, 2015). We must remember that tourism is a field of study and not a discipline, meaning that it theoretically needs support from disciplines for its existence (Laws & Scott, 2015). This is also the case practically; tourism must have support and be in sync with other factors and features (Rogerson, 2015). For this reason, there must be some level of development in some sectors such as in manufacturing, construction and agriculture, because tourists must have a place to stay, an attraction to see, and people to serve them (Diaz, 2014). The level of simplicity of development changes once tourism money is injected into the destination, causing changes to occur as the destination evolves. This is how tourism for development functions. Tourism as a development tool has the ability to accomplish socio-economic growth and alleviate poverty (Diaz, 2014; Pavlic, Svilokos, & Tolic, 2015; Cooper, 2012). Tourism is the world's fastest growing economic sector. For this reason, many countries and regions of the world see tourism as an opportunity to improve, grow and sustain their economies (Pavlic *et.al.*, 2015; Cooper, 2012). Tourism for development can take various forms, such as eco-tourism, cultural tourism, community-based tourism, business tourism and leisure tourism. As long as, there are enough resources to be explored and to attract people, tourism is able flourish (Diaz, 2014).

#### **2.4.1. Positive aspects of tourism for development**

Tourism encourages economic development, participation, inclusivity, and empowerment. Socio-economic growth occurs because, as tourism evolves in terms of services and facilities, it is able to provide for other sectors in need of assistance (Kavita & Saarinen, 2015:2). For example, it contributes to high employment rates, the multiplier effect and a country's Gross Domestic Product (GDP). Therefore, an increase in these factors leads to an increase in other sectors of production. Tourism consumption creates employment and stimulates production because it is a labour intensive sector (UNWTO, 2014:16). In terms of production, the host country needs to import new technologies, machinery, skills and services for the development of human capital and even open franchises with international brands to accommodate tourists (Rogerson, 2015; Ohlan, 2017; Garcia & Rivero, 2015; Klytchnikova & Dorosh, 2012). During the importation process, new markets are created, and new or existing businesses emerge to serve the market, along with investors (Ohlan, 2017; Garcia & Rivero, 2015; Klytchnikova & Dorosh, 2012).

As the sector evolves, it is able to involve marginalised groups (Kavita & Saarinen, 2015). This is where the emergence of rural and community-based tourism is visible, and used to address the problems of community development and poverty alleviation. In rural, community-based, and ecotourism the participation and empowerment of the local community is important because they are in control of the management and development of their territorial space and must be able to benefit (Cole, 2011; Diaz, 2014). Participation is important throughout the whole tourism sector for development process, because it enables stakeholders to feel involved and to voice their opinions. Additionally, empowering locals with skills to cater for tourists enables them to become independent and able to take responsibility for local economic development (Cole, 2011; Diaz, 2014).

Additionally, by acquiring skills, marginalised people are able to start businesses in order to serve the sector (Diaz, 2014; Cooper, 2012:107-108). For instance, locals can provide local produce to lodges, sell handmade crafts, look after the well-being of certain species of animals, and provide live cultural performances. Therefore, the establishment of small businesses is vital in the development of local attractions or

tourist destinations, because they can create relative local autonomy. Tourism can also be used to preserve heritage, culture, customs, and natural habitats (Diaz, 2014). However, tourism can also have a negative effect on society.

#### **2.4.2. Negative aspects of tourism for development**

Some of the negative aspects of tourism for development are pollution, land disputes, cultural collision between hosts and tourists due to their differences, and people displacement for the creation of attractions (Xue, Kerstetter & Buzinde, 2015; Sirima & Backman, 2013; Vajirakachorn & Nepal, 2014). Negative socio-economic impacts are likely to emerge when tourists bring their culture and affluence to the host community. By presenting their different languages, behaviour and dress, this demonstrative effect can cause the host community to imitate tourists and disrupt cultural fibres (Cooper, 2012:97-102; Odeh, 2014:123-134). Land disputes and inequalities, are created when for example, private and government entities try to take ownership of land for development. Inequalities emerge when some stakeholders have more say than others during the planning and implementation process, thus causing misunderstandings (Sirima & Backman, 2013).

Misunderstandings are likely to happen when there is a non-functional communication channel in which both the local community and tourism developers fail to understand and respect each other's perspectives and space (Diaz, 2014; Sirima & Backman, 2013). For instance, Odeh writes about a case in Dubai and the effects of tourism on the host society. In her case, Odeh (2014) highlights the social difference among the United Arab Emirates and the West, as well as the economic growth led by tourism. Bearing in mind that people in Dubai dress in a very conservative manner, especially women, they behave differently and are unlikely to engage in nightlife entertainment. Therefore the problem emerges when this conservative culture encounters the western culture through tourism. The people are aware of the tourism benefits of growth and development, but are dissatisfied with the impact of tourism on the social fibres of society.

Furthermore, tourism causes environmental damage such as pollution, environmental degradation and erosion. The tourism industry contributes highly to the release of harmful gas emissions in the atmosphere. During tourism development, environmental degradation is caused when flora and fauna are affected by human actions. These human actions include the removal of vegetation for the establishment of lodges and attractions, and by removing vegetation, animals are automatically scattered and forced to migrate. Sirima and Backman (2013:721-732) state that in 2006 the Tanzanian government evicted and relocated the people living in the Usango basin along with the surrounding communities in order to expand the Ruaha National Park. This caused people to lose access to agricultural and pastoral resources, as well as intangible heritage attached to their land. This happens because nature reserves and conservation areas bring income and the local community does not. Xue and Kerstetter (2014) agree that people are displaced due to tourism related projects. This is a case that has happened not only in China and Tanzania but also in the Congo, New Zealand, Vanuatu and many other countries.

In Thailand, the government encouraged locals in Amphawa to revive the ancient ways of life by establishing floating markets on the canals as tourist attractions, by selling traditional food and by allowing tourists to see landmarks along the canal. Once these markets were established and attractive to tourists, many people were able to own businesses and live locally because they were locally hired (Vajirakachorn & Nepal, 2014:2-9). This means that their heritage and culture was being preserved through tourism. Jobs were being created and the local economy was being stimulated. However, problems emerged as more tourists were attracted to the area and some activities, such as noise made by loud tourists who were boat riding at night to see fireflies, camera flashes, and spotlights, disrupted the local community (Vajirakachorn & Nepal, 2014:10).

Cooper (2012:107-108) writes about the case of Nkwichi Safari Lodge in Mozambique. The aim of the lodge, besides providing accommodation, is to protect wildlife and to ensure socio-economic benefits for the local community. The lodge employs 75 trained local people, and created the Umojio Association that represents

20 000 people through their chiefs and elected representatives. The Association lobbies for the local community in the provincial and national government. Visitors to the lodge pay a levy of US\$5 per night, which thus far has helped in the building of five schools, a maternity clinic, a maize mill, and two church roofs. In this case, we see that there is a structure of organisation that includes social-economic benefits, empowerment, and – most importantly – stakeholder interaction. Therefore the harmony of these attributes leads to the successful use of tourism as a tool for development.

In the Mukuni Village in Zambia, the local tribe of Tonga provided tours of their village and insight of their cultural heritage as a positive aspect. However, there were the negative aspects of land erosion and high levels of unemployment due to seasonality (Horak & Darkwah, 2014:1289-1290).

### **2.4.3. Physical characteristics of tourism destinations**

The destination's physical, environmental, social and cultural characteristics are the most important because they act as the primary products of tourism (Benur & Bramwell, 2015:213). These primary products go through changes within the life cycle of the destination. Post-war destinations move differently through the lifecycle phases due to the factors discussed above under the post-war environment. Additionally, post-war destinations are likely to find themselves either in the development or growth phase such as in the case of Croatia, Sri Lanka, Sarajevo, Mozambique, Rwanda, Sierra Leone and Angola. For instance, if we look at the Travel and Tourism Index, we see that each country holds a different rank, which might be based on the country's current tourism reality. In the 2017 Travel and Tourism Competitiveness Report, Mozambique ranks at 122 out of 136 countries; Rwanda at 97; Lebanon at 96; Sierra Leone at 131; Sri Lanka at 64; Croatia at 32 and Angola is not present due to the absence of information (WEF, 2017:9).

This example demonstrates that each country is different, because each faces different challenges and opportunities that enable them to develop, grow and be competitive. Butler's tourist area life cycle "was designed to demonstrate that tourist destinations also go through a cycle of evolution similar to that of a product" (Cooper,

2012:47). The tourist area life cycle is a dynamic cycle highly influenced by attractions, physical changes, time – due to its progression and decline, as well as tourist expectations (Butler, 2006:1-8). In other words, the absence of attraction does not lead to tourism. Butler's tourist area life cycle ranges from the following stages (Cooper, 2012:48-49; Garay & Canoves, 2011:653-654):

- The exploration stage, in which a small number of tourists visit the destination and there is a lack of facilities.
- The involvement stage, in which the community decides whether to accept tourism; there is also an increase in the level of tourists and market seasonality that creates pressure for the implementation of infrastructure.
- The development stage, in which a large number of visitors are attracted to the destination, changes occur within the tourism organisation, and control is given to non-locals to provide facilities and products.
- The consolidation stage, in which the rate of visitors declines, though total numbers increase and exceed permanent residents.
- The stagnation stage, in which the destination is no longer fashionable and relies upon repeat visits from conservative travellers.
- The decline stage, in which visitors are attracted by newer destinations and competitors start looking for new markets.
- The rejuvenation stage, in which the destination must protect its traditional market while seeking a new market, in order to combat seasonality.

This means that, once established, a destination has to innovate its attractions, accommodation, accessibilities and most importantly its services in order to keep attracting a large number of tourists. According to Cooper (2012:37), the development of a destination requires ample infrastructure in the form of transportation, utilities and other services. Infrastructure is provided by the public

sector and superstructure is provided by the private sector, which can in turn be sponsored by the public sector (Cooper, 2012:37). Here it becomes evident that collaboration between the public and private stakeholders can benefit the destination.

Additionally, tourism cannot thrive without the fortification of stakeholder interaction. According to Nicolaidis (2015:4), “[E]very group of stakeholders plays an important role in the development of tourism [however] some have more importance than others”, which means that they should understand each other’s role and work as a team in order to benefit from tourism. More will be said on the role of the different stakeholders in the next section.

## **2.5. STAKEHOLDERS IN DESTINATION DEVELOPMENT**

The collaboration between stakeholders is important because it can determine either the success or the failure of a tourism development project. Some of the stakeholders involved in the tourism industry are the following (Cooper, 2012:37-38):

- The host community: The host community is the most important stakeholder because they live and work at the destination and provide local resources to visitors.
- The tourists: Tourists are constantly seeking a satisfying experience and a high quality of services and well managed destinations.
- The tourism industry: The tourism industry is responsible for the delivery of tourism products and development, and composed of niche players such as small and medium enterprises.
- The public sector: The public sector is responsible for the stimulation of the development of the destination and employment generation.

According to Jamal and Stronza (2009:169-189), stakeholders or actors are complex because they originate from different political, cultural, ethnic, and religious backgrounds. For instance, this might lead to scientific versus indigenous knowledge. Additionally, stakeholders have different localities, social stratification, and motives for collaboration. Collaboration extends between different organizational levels, such as from local to regional, national or international levels (Jamal & Stronza, 2009:175). Structurally, collaboration can be formal or informal, based on joined control or full ownership. Therefore collaboration must be viewed as spatial, because it may involve short or medium-term collaboration with a finite end (Jamal & Stronza, 2009:175-177).

Stakeholder assessment is vital because it provides information about stakeholders' needs, willingness to participate, interests and concerns. It also provides statistics of who is or is not interested in the project, such as private sectors, locals, public sectors or international entities (Araujo & Bramwell, 2009:363-378). As a result, if stakeholders are neglected, there are negative impacts on the development process of the destination (Araujo & Bramwell, 1999:363-378; Singh, Theuns, and Go, 1989; Scheyvens, 1999; Saarinen, 2009; Timothy, 2009). One of the most important stakeholders is the government, due to its responsibility to establish policies and strategies, as well as institutions and teaching programs for the people being cultivated to serve the tourism industry (Cooper, 2012; Nicolaidis, 2015).

## **2.6. GOVERNMENT AND PRIVATE SECTOR PARTNERSHIPS**

According to Cooper (2012:244-252), the government must be involved in tourism because the government is responsible for the establishment of regulations and policies concerning the tourism industry of a certain country. The government can also utilise tourism as a catalyst for the reduction of poverty by creating employment, which then leads to economic growth. This can be accomplished by hiring locals to operate within the tourism industry as managers, administrators, construction workers, tour guides, cooks, hotel clerks, waiters, cleaning staff, drivers, security guards, gardeners, and more (Cook & Hsu, 2014:278-281; Nolan, 2003:38-40; Macpherson, 1996).

In developing destinations (this is also applicable according to the destination lifecycle model) where the tourism industry is a major source of foreign income, the government is responsible for implementing tourism infrastructure such as developing attractions, hotels, restaurants, roads and shopping centres (Inskeep, 1991:412). In other words, with the help of government, employment is created within the sector, which results in economic empowerment and enables people to afford better education, food, health assistance, and establishments for themselves (Cook & Hsu , 2014:278-282). Additionally, the creation of jobs contributes to the reduction of poverty, crimes in highly affected areas, and increases income in households. Economic growth can also lead to the multiplier effect that occurs when the new money integrated into the local economy by tourists is “re-spent”, or changes functions and hands within that community or country (Cook & Hsu , 2014:278-282).

In some cases, the government creates partnerships with private enterprises to develop tourism due to the scarcity of financial and human resources (Novelli & Morgan, 2012; Keyes, 2012). Although the government is a critical stakeholder, it becomes weakened in times of conflict, because instead of focussing on the development of the country, it must first look after the wellbeing of its people. For this reason, post-war destinations face difficulties in re-establishing themselves within the tourism industry due to war damages (Novelli & Morgan, 2012; Keyes, 2012). Local businesses are also important in destination development due to their ability to provide products and services to tourists. SMEs are important because they empower the local community economically, thereby assisting in rebuilding the post-war destination from the grass-root level.

Grassroots entrepreneurship is more likely to create sustainability because it allows marginalised people to benefit from tourism as well (Pansera & Sarkar,2016). Therefore, SMEs allow people to contribute to a country’s sustainable development and employment creation (Pansera & Sarkar,2016). Overall, collaboration takes various forms and structures and extends over different periods. It can be local, provincial and national. Additionally, the distribution of sufficient power distribution,

mutual understanding, and access to information among key stakeholders is essential in the success of collaboration (Jamal & Stronza, 2008:173). This is especially important for post-war destinations because their main goal is to prevent hostility and maintain a secure environment. One important aspect of developing tourism is competitiveness. In other words, the destination must be able to provide products and services, which emphasise their positions within the industry, along with selling value-for-money experiences (Kim, 2014). The next section looks at destination competitiveness and why this remains a challenge for post-war destinations.

## **2.7. TOURISM COMPETITIVENESS**

Competitiveness does not have a single definition because it is related to many factors such as location, macro and microenvironment as well as productivity and more (Sipa & Mitka, 2015). For there to be competitiveness at the international level, there must first be competitiveness at the national level created by SMEs. SMEs must compete with one another locally and nationally in terms of production, price and quality. Once they are nationally competitive, they can start targeting and attracting international customers and investments (Sipa & Mitka, 2015:446). Since post-war countries differ due to their trajectories, politics and history, their SMEs have different opportunities to help them become more competitive. According to Dupeyras and MacCallum (2013:14), tourism competitiveness for a destination refers to the ability of the place to improve its attractiveness for residents and non-residents. As well as to deliver quality, innovative and attractive tourism services to consumers, and to gain market shares on the domestic and global market places; while ensuring that the available resources supporting tourism are used efficiently and in a sustainable way.

Therefore, competitiveness depends on the country's amalgams, environment and more. Amalgams are "the combination of services, facilities and attractions" (Cooper, 2012: 33; Keyser, 2004:169). These factors have to exist prior to tourism because tourism is an in-situ consumption product (Goodall & Ashworth, 2013:143-146; Reece, 2010:3:40; Cooper, 2012: 56). The World Economic Forum (WEF) publishes

a yearly travel and tourism competitiveness report through “analysing and evaluating the factors and policies that enable the sustainable development of the travel and tourism sector” (WEF,2015b:vii). There are various models created to measure competitiveness due to innovation because scholars use different indicators for different cases. For example, models have been developed by Ritchie and Crouch (2003:15) (Table 1), Dwyer and Kim (2003), Chens, Sokand and Sok (2008), Hong (2009), and Ritchie and Crouch (2010).

**Table 1: Elements and Levels of Competitiveness**

Level of competition				
Element of competition	Companies	National industries	National economies	Element of competition
The structure	Industry competitors	Factor conditions	Science and technology	
	Substitutes	Demand conditions	People	
	Potential entrants	Related and supporting industries	Government	The structure
	Suppliers	Firm strategy, structure and rivalry	Management	
	Buyers	Chance	Infrastructure	
			Government	Finance

**Source:** Ritchie and Crouch (2003:15)

Some factors and indicators of competitiveness are the economy, general infrastructure, business environment, tourism infrastructure, and destination management (Knežević,Dwyer,Koman & Mihalič, 2016:4; Ritchie & Crouch, 2003:15). These and many other factors are what enable a destination to compete with other tourism destinations and adjust to the constant changes in both the macro and microenvironments. As a result, competitiveness has to be visible in the affordability and accessibility to resources and destinations, the recognition of resources both nationally and internationally, the strength of the economy, and in environmental harmony.

### **2.7.1. SMEs for competitiveness and post-war difficulties**

According to Carvalho and Costa (2014:89), as well as Sipa and Mitka (2015:445), SMEs can represent 90% of the enterprises in many countries. However, some are not included in statistics due to their informality and some face difficulties in entering the market. The factors related to SMEs in creating competitiveness are divided into two environments – internal and external (Carvalho & Costa, 2014). Measuring competitiveness is difficult because some factors are quantifiable and others are not. Some of the internal factors include marketing innovation, organisation, and structure efficiency. External factors are the economic and social context alliances networks, and globalization. For there to be competitiveness, the factors within these environments must be met in order to measure SMEs in terms of profit, market share, productivity, customer satisfaction and value of service and products (Carvalho & Costa, 2014).

SMEs must be able to be innovative in terms of products and services in order to constantly adapt to the changes in the environment and meet customers' expectations (Carvalho & Costa, 2014:90; Sipa & Mitka, 2015). However, the ability to create competitive advantage and innovation will depend on the resources available within the business environment. As part of tourism, SMEs are also major players in the economic development of a country as they have the ability to stimulate growth and development in remote areas (Ramukumba, 2014). SMEs in post-war destinations face difficulties in establishing competitiveness because they have to start from scratch. In other words, the country must first reform its internal socio-economic environment, policies for foreign and national investments, as well as foreign trading policies. Once the internal economic sector recovers, infrastructure is built and employment is created; only then can competitiveness emerge (Games, 2011; USAID, 2009). Games (2011) highlights that some of the challenges encountered in the business environment of post-conflict countries are inefficient infrastructure and a lack of resources for production and services, which result in high operational costs for businesses. As a result, foreign investors hesitate to invest in a post-war country that is decreasing its chances to be competitive.

This chapter provided a description of post-war tourism destinations and their development process. It also introduced SMEs as an important stakeholder in this process. The next chapter expands on SMEs within the tourism sector of post-war destinations.

## **CHAPTER 3: SMALL AND MEDIUM ENTERPRISES IN TOURISM (SMEs)**

This chapter focuses on Small and Medium Enterprises (SMEs). It starts with an overview and definition, followed by the private and public partnership in post-war countries, the role of SMEs, their characteristics, and lastly the challenges encountered by SMEs in developing and developed countries. This chapter is followed by a discussion of Angola as an emerging post-war tourism destination.

### **3.1. SMALL AND MEDIUM SCALE ENTERPRISES (SMEs)**

There is no specific definition for SMEs because the definition differs from country to country according to geographic region and business environment. For instance, the International Trade Centre (ITC) states that the maximum number of employees of SMEs in Ghana is 100, in Vietnam it is 300, in Malawi it is 50, and in Thailand it is 200 (ITC, 2015:3). This means that the Angolan definition of SMEs can also differ from other countries. SMEs play an essential role in the sustained growth of developing countries over the long term (Fjose *et al.*, 2010). Although Europe invests in the development of SMEs by providing funds to developing countries, Africa in particular struggles to thrive due to various limitations (Fjose *et al.*, 2010), such as poor infrastructure, an unskilled workforce, weak management skills, and non-existent levels of savings and strained international relations. In South Africa, for example, the tourism industry is highly dependent on SMEs because they have the capacity to sustain the sector.

SMEs provide the opportunity for locals to start their own businesses and ameliorate their lifestyles. However, it is difficult to start SMEs due to the limitations mentioned above (Cant & Wiid, 2013:709). SMEs can take various forms, however, only a limited number of people can serve and benefit from the tourism industry. SMEs are important in the contribution for development; for this reason SMEs are highly valued by developed and developing countries (Ramukumba, 2014; Gamge, 2014).

SMEs play an important role in economic and industrial development, and their existence “provides the necessary foundations to sustain growth and development in

developed and developing countries” (Dhungana, 2003:11). In other words, if a country wishes to develop, grow and create sustainability, it must prioritise the SME sector. The prioritisation of SMEs is an important pillar utilised as a catalyst in tourism as a tool for development. The reason being that, SMEs in tourism are responsible for providing local products and services from restaurants, travel agencies, tour operators, guesthouses and many more (Rogerson, 2008). They are also able to create employment, help in socio-economic development and attract people interested in their services or products and serve in different niches.

The establishment and sustainability of SMEs depends highly on the business environment. According to Erasmus, Strydom, Kloppers, Botha, Van Rensburg, Du Toit and Motlatla (2013:105-107), the business environment is comprised of the microenvironment, the market environment, and the macro-environment. The macro-environment has a direct effect on the micro and market environment, because it is an external force that cannot be controlled by business owners and the market. The effects of the macro or global business environment affect the micro-environment, in this case the business environment of a country, because globalization and competition go hand-in-hand. Therefore, the business environment of each country is different based on their available resources, economics, and social-political reality. As stated by Braşoveanu and Bălu (2014), “The business environment influences the business operations and performance of SMEs”. SMEs can only develop and grow in a favourable business environment. The difficulties of politics, policies, regulations, finances and other turbulences within the business environment hinder their establishment (Belás, Demjan, Habánik, Hudáková & Sipko, 2015). This is the case of SMEs in post-conflict countries.

### **3.2. PRIVATE AND PUBLIC PARTNERSHIP IN POST-WAR COUNTRIES**

SMEs are crucial in the reconstruction of the economic sector of a post-war country due to employment generation, GDP growth, and stimulation of other economic activities (Gamage, 2014:358). The role of the private sector in post-conflict countries is important because the government alone cannot provide employment and other necessities for the people. For this reason, the partnership between the private

sector and government helps the country to reconstruct its economic sector because development cannot occur without prioritising the economic sector (Sweeney, 2008:14). The social, political, economic, and demographic features of a post-war country shape the environment of the private sector and SMEs. This is due to the causalities experienced by that specific country during a specific period. For this reason, the business environment of a post-war country will differ from a country that has never experienced war (Sweeney, 2008:17). Factors that come into play include the loss of assets, distorted markets, state fragility, fractured communities a high number of incapacitated individuals, low educational levels, and reduction in foreign and local investment (Sweeney, 2008:18). If the acquirement of finance of SMEs in a country that has never experienced war is difficult, then SMEs in post-conflict countries have it worst.

The government needs the help of the private sector in various countries, but most importantly in post-conflict situations because the government does not have a large enough budget to invest in every sector due to the priority of national security and the costs of war (Novelli & Morgan, 2012; Keyes, 2012). As a result, the private sector is there to close the gaps that government is unable to fill in terms of providing services and resources (Sweeney, 2008:19-30). Worldwide, the majority of SMEs are informal; in developing countries 77% of SMEs are informal and not registered with governmental or other SME institutions because they only exist for survival purposes (ITC, 2015:4). This is what Sweeney refers to as “grey economy” because they are not formal and regulated by institutions but they contribute to employment generation, local economy, and production and supply (Sweeney, 2008:21).

For example, as a post-war country Liberia launched a five-year development strategy called the Agenda for Transformation in order to set up foundations for Liberia to be a middle-income country by 2030. This strategy was combined with national export strategies, national trade policy and partnership with the international trade centre. As a result, Liberia was able to create a support system for the establishment of SMEs, bearing in mind that 70% of people in Liberia are employed by informal SMEs (ITC, 2015:20). Additionally, in 2010 the government of Sri Lanka announced a national strategy for SME sector development with the aim to make

SMEs more competitive and efficient by adopting modern technology to improve production processes and effective exporters. The World Bank helped the project by approving a US\$57.4 million credit line to strengthen the access to finance for SMEs in Sri Lanka (World Bank, 2011). Such examples once again demonstrate that governments are aware of the importance of SMEs in their economies and countries' welfare as a whole. For this reason, the government does what it can to help in the establishment and support of SMEs, since – in the long run – SMEs exist to help the government to achieve growth and sustainability.

Moreover, SMEs play similar roles both in developing and developed countries; they also have the same difficulties in acquiring finance. However, in developing countries SMEs are hampered by poor infrastructure, a poor business environment, and a lack of finance to prosper and gain access to the international market (Fjose *et al.*, 2010). Although SMEs have similar characteristics, they differ based on their business environment. They are unique because they are able to be less affected by economic crisis, and can survive in an environment of conflict due to their size and ability to quickly adjust to their environment (Keskin, Senturk & Sungur, 2010; Sweeney, 2008).

### **3.3. THE ROLE OF SMEs IN THE COMMUNITY**

The role of SMEs in the community is to transform resources into products and services, and to create employment (Erasmus *et al.*, 2013). For example, handy-craft sellers transform loose beads into bracelets and tour operators transform history, nature and culture into services. Local restaurants transform local resources into consumable products such as food and beverages. In the gastronomy sector, a small restaurant might need to hire cooks, hosts, waiters, accountants, publicists and guards. Even though human resources or human capital is vital for any business, they need to possess certain skills in order to contribute to the growth of the business and the community. Therefore, if human capital lacks skills, the business fails to succeed (Botha, Fairer-Wessels & Lubbe, 2006:81; Erasmus *et al.*, 2013:15). SMEs have the tendency to create markets (Erasmus *et al.*, 2013:52-54), and SME owners can create new markets because they have the tendency to be unique and

innovative – either by creating something new, or by improving on an existing invention. The new market is motivated either by opportunity or by necessity.

SMEs in tourism contribute to economic growth and development, as stated earlier. SMEs in tourism are flexible and can be both formal and informal. For this reason, they are able to develop at any remote location and environment (Games, 2011). They have to be flexible and specialise because they are not able to compete with larger enterprises (Rogerson, 2008; Mazunder, Sultana & Mamun, 2013). However, they can acquire a share of the market by providing specialised services and products to large enterprises (Rogerson, 2008; Mazunder & Sultana, 2013). According to Chang (2011), SMEs in tourism includes hospitality, and recreation. Rogerson (2008) adds that SMEs serving different categories, such as those referred to by Chang, also face different challenges. This is true because challenges faced by SMEs in accommodation differ from SMEs in tour operator and travel agency businesses. The same is said about established and emerging SMEs in the tourism industry. This is because the established SMEs have been operating in the sector for a couple of years and are settled, whereas emerging SMEs are starting out and searching for strategies to settle in the sector (Rogerson, 2008; Mazunder & Sultana, 2013).

The challenges experienced by various SMEs differ because SMEs in tourism serve in different niche markets, sell different products and services and interact with different clientele. This makes tourism a flexible industry able to cross paths with other sectors through SMEs (TourismLink, 2012). Although SMEs are either formal or informal, they exist to provide for the same group of people. Additionally, as stated earlier, tourism SMEs have the ability to bring economic development to remote areas, and can be utilised as a tool for poverty alleviation. The involvement of local government in the development of tourism is important because tourism cannot grow without the attention of the government (Rogerson, 2013). For instance, in the cases of South Africa, Seychelles, and Mauritius, tourism has achieved a successful peak because the government makes the effort to support the sector by promoting the country's image and encouraging the host community to become participants in the

process (Seetanah & Sannasse,2015;Temesgen & Alcindor, 2017; Brand South Africa, 2015).

### **3.4. CHARACTERISTICS OF SMEs**

SMEs are established to satisfy the owner's independence and lifestyle needs, and are independently owned and operated (Erasmus *et al.*,2013:47). SMEs tend to stabilise and grow with inflation (Nieman & Nieuwenhuizen, 2014:10; Pride, W.M. & Hughes, and Kapoor,2009:136). They are globally innovative because they are always challenging the establishment of new inventions (Erasmus *et al.*, 2013:53; Pride *et al.*, 2009:143). SMEs are responsible for contributing the most to a country's GDP because big enterprises have the tendency to import labour and products (Dahles, 1997:1-28). Despite SMEs being marginalised due to their size, they are globally known for contributing to a country's economy and tourism industry because they utilise local resources and labour (Thomas & Shaw, 2011; Gries & Naude, 2010; Shinde, 2010).

Moreover, one of the main characteristics of SMEs is the shortage of finances. SMEs operate in a single market with a limited range of products. According to Burns (1999:13-15), SMEs are different from larger firms due to three criteria which are (1) market influence, (2) independence, and (3) personal characteristics. In terms of market influence, small firms are only attributed with a small share of the market Secondly, SMEs are independent because they are not part of a larger firm and the owners are free from outside control when it comes to making decisions. Thirdly, SMEs embody personal characteristics, since owners have the liberty to manage their business as they please. Additionally, SMEs can be characterised as a sole proprietorship, partnership or company (Erasmus *et al.*, 2013:74-85; Nieman & Nieuwenhuizen, 2014:144-150).

An individual who is liable for the business's debts owns a sole proprietorship. A sole proprietorship is inseparable from the owner's legal financial affairs, in which the owner has a high risk of losing personal possessions if the business fails. A partnership occurs when two or more individuals combine expertise or finances to

operate a business together. This type of business can either be formal or informal and partners share joint responsibility for any liability. A company is a separate legal entity through which the business is separated from personal estates. Companies operate with expertise and the board of directors is clearly distinguished from management (Erasmus *et al.*, 2013:74-85; Nieman & Nieuwenhuizen, 2014:144-150).

People become business owners due to various reasons, but the most popular reasons are opportunity or necessity (Nieman & Nieuwenhuizen, 2014:37-38; Pride *et al.*, 2009:140-141). Businesses started due to an opportunity are based on the opportunities spotted by the entrepreneur, where the entrepreneur has a steady income but risks their financial stability in order to better explore the window of opportunity (Nieman & Nieuwenhuizen, 2014:37-38). Businesses influenced by necessity are started by those who lack a stable source of income or by the unemployed with the need to sustain their livelihood (Nieman & Nieuwenhuizen, 2014:37-38; Pride *et al.*, 2009:140-141).

### **3.5. CHALLENGES ENCOUNTERED BY SMES**

SMEs in developing countries and developed countries have similar, but also unique challenges. Although SMEs differ in terms of their established business environment, the business environment in developed countries enables growth, whereas the business environment in developing countries hampers growth (Games, 2011). However, they share similar characteristics in terms of ownership, access to funding, and seasonality.

#### **3.5.1. The Business Environment**

According to Games (2011) and Hussein and Kimuli (2012), a poor business environment with high operational costs is expensive for SMEs to operate in. An inefficient private sector with the absence of locally available products for production is problematic because it is unable to be productive and to attract investors. In most cases, developing countries do not have policies and regulations to help them

acquire investment; this lack, along with poor access to technology, hampers their growth and competitiveness. Additionally, the low level of human capital in terms of capability makes SMEs in developing countries less productive, due to the lack of expertise and skills to survey the business environment (Games, 2011; Hussein & Kimuli , 2012). The access to electricity and water is also a major problem for SMEs in developing regions of the world, including Sub-Saharan Africa, making it difficult to operate under 'normal' circumstances (Fjose *et al.*,2010:24).

The discussed factors under the business environment are important because they contribute to a country's ability to be part of globalization. Countries must have the resources and infrastructures discussed above, especially the access to technology, in order to be competitive and innovative. Access to technology is crucial for SMEs in tourism because tourists search for their destinations by using technology, and use technology when at their destinations. Therefore the absence of technology hinders businesses from reaching and attracting clientele, as well as from competing both nationally and internationally (ITC, 2015).

### **3.5.2.The Funding of SMEs**

As stated earlier, it is often problematic for SMEs to acquire finance because they are high-risk investments and failure rates are high (Erasmus & Strydom, 2013:487; Nieman & Nieuwenhuizen, 2014:193). This might be because it takes time to generate profit. For example, sometimes SMEs only start to generate profit during their third year of existence, and are likely to fail during their first year of existence. According to Tang and Musa (2011), risk involves the possibility of business owners losing large amounts of capital when using debt financing for starting or operating their businesses. Investing in any business is risky because it requires time and money without guarantees, which are the most important assets in the business world. However, it is possible to acquire funding through various methods (Erasmus *et al.*,2013:487; Nieman & Nieuwenhuizen, 2014:193). The most popular means of funding for SMEs include personal funds, loans from family and friends, bank credit and investors.

In most cases, people tend to start their businesses with their personal finances by saving for several years in order to turn their dreams into reality.

Like any investment, personal investment is extremely risky because the owner has to be psychologically prepared and conscious that if the business fails, he or she will have to re-start. In some cases, people start their businesses by relying on relatives and friends for the establishment and survival of their business. However, this source of funding is dangerous because business matters can become entangled with personal matters (Erasmus *et al.*,2013:487; Nieman & Nieuwenhuizen, 2014:193). Another option is bank credit, which is described as “the borrowing capacity advanced by a bank to an individual or firm in the form of cash loans” (Erasmus & Strydom, 2013:487; Nieman & Nieuwenhuizen, 2014:19). Bank credit is a popular method used by various business owners who seek to finance their business and cannot afford to accomplish this on their own.

However, bank credit is only granted if the owner of the business proves to have the ability to repay his or her debt within the negotiated period (Erasmus *et al.*,2013:487; Nieman & Nieuwenhuizen, 2014:193). Investors are “people who put money to use by purchase or expenditure in something offering potential profitable returns” (Dionne, 2013:14). However, investors are risk-takers, because they are normally well-informed about the risks involved in investments. In addition, they are likely to make an investment when they believe in the potential profit growth of the business.

Consequently, it is difficult for small business owners in tourism to acquire finance because African governments sometime neglect to recognise the potential of SMEs (Muriithi, 2017:36). However, in some cases the government is able to aid SMEs by providing funding initiatives such as in South Africa, where the government offers Tourism Enterprise Partnerships (TEP) a public-private partnership and non-governmental organisation – which provides SMEs in the tourism sector with training, skills, development and funding. There is also the Small Enterprise Finance Agency (SEFA), which provides products and services to qualifying SMEs and co-operatives in addition to the National Youth Development Agency (NYDA). These government initiatives are important because they demonstrate that the government

is making the effort to encourage the establishment and growth of SMEs in South Africa.

### **3.5.3. Seasonality**

Seasonality is a factor that affects SMEs around the world, both in developed and developing countries (Cannas, 2012). Cooper (2012:164) states that “seasonality is not only caused by weather or special occasions, but also by other factors such as the aspects of the supply side behaviour such as labour market, skills availability, pricing, and distribution”. This means seasonality can be natural or institutional. Some of the costs of seasonality are the loss of revenue, unemployment, and the over- and under-use of infrastructure (Pegg, Patterson & Garido, 2012; Cannas, 2012).

The loss of revenue occurs when businesses do not make enough income to cover expenses. Unemployment occurs when SMEs operate during specific seasons, which can have a tremendous effect on the community’s economic environment because many people tend to lose their jobs in the so-called ‘off seasons’. Additionally, the over-use and under-use of infrastructure occurs when a mass group of unexpected people uses the infrastructure at a specific location; whereas under-used infrastructure is a result of businesses preparing themselves to receive a large amount of people, but then only receiving a few. However, the positive aspects of seasonality for tourism SMEs are that it provides time for destinations to recover, it provides time for attractions to go through the rejuvenation process, and SMEs are able to prepare themselves to receive their customers in the future (Pegg *et al.*, 2012:659-661).

This chapter presented a discussion of the most important aspects related to SMEs within the tourism and developing country context. The next chapter introduces the case study of Angola, upon which this research is focused.

## **CHAPTER 4: THE CASE OF ANGOLA**

This chapter explores Angola as an emerging post-war tourism destination and will include aspects such as its geographical location; its tourism potential; a brief history of Angola's conflicts, the country's overall competitiveness and growth, and the vision and strategy of Angola's tourism. There will also be an exploration of post-war initiatives, marketing efforts and government investment for SMEs.

### **4.1. INTRODUCTION AND BRIEF HISTORY OF ANGOLA**

Angola is located (refer to Figure 1) on the south-western coast of Africa and shares its borders with the Democratic Republic of the Congo and Republic of the Congo to the north, Namibia to the south, and Zambia on the southeast (Stead & Rorison, 2010:3). Angola is a country rich in life, rhythm, colours and history. It is approximately 1,246,700 km<sup>2</sup> wide and is divided into eighteen provinces with Luanda being its capital city (Plural editors, 2014). According to the census conducted in 2014, Angola has approximately 24.3 million inhabitants (portalangop.co.ao). Portuguese is the official language, but there are 42 other native languages, the most common ones being Umbundu, Kikongo and Kimbundu (Stead & Rorison, 2010). The national animal is the great black sable antelope, which is visible on the country's airline, sports teams and anything else that represents the country followed by the red, black and yellow colours of the flag.

Angola experienced five centuries of colonial oppression by Portugal, and it began to struggle for independence in the 1950s (Embassy of Angola in South Africa, 2014). The struggle for independence from Portugal finally ended in 1975. However, after acquiring independence from Portugal in 1975, a civil war emerged due to the division of the separate parties that were formed to fight against the Portuguese. They all wanted to have power over the country, but history has demonstrated throughout the world and for centuries that there can only be one party in power. For this reason, civil war began in 1975 and ended in 2002 (Stead and Rorison, 2010; Schubert, 2016).

Angola neither had time to recuperate from the damages inflicted by colonialism, nor to organise itself. Additionally, the civil war destroyed the country in terms of infrastructure, human lives, fauna, flora and economy (Schubert, 2016:2). As a result, the country came to a pause. As stated by Schubert (2016:790), “Angola had one of the longest-running armed conflicts in the 20<sup>th</sup> century”, meaning that the prolonged conflict made it impossible for the country to grow economically, socially, and to explore alternatives for income exchange revenue. However, after signing the peace agreement on 4 April 2002, Angola has been aiming for the stars by being the second largest producer of oil in Africa. Furthermore, Angola has created the opportunity to invest in social infrastructure, agriculture, job creation and tourism (African Economic Outlook, 2012: 4-15; World Bank, 2013: vi-vii).

**Figure 1: The Location of Angola on the Map of Africa**



**Source:** Daily Mail UK (2017)

#### **4.2. ANGOLA'S TOURISM POTENTIAL**

Saarinen (2009) states “nature is a resource and a source of extraction for the tourism industry” (2014:500-507); this is also true for Angola. According to Cooper (2012: 147-165), attractions are what motivates people to travel and to visit certain destinations. Inskip (1991:75) adds by stating that attractions are the critical components of the tourism product. This means that without attractions there would be no tourism or tourists (Lew, 2014:363). There are various categories within the natural, cultural and manufactured attractions (Esu & Ebitu, 2010: 21). Angola boasts

natural attractions, and according to Inskip (1991:75-79) natural attractions can be divided into different categories such as climate, scenic beauty, Beaches and marine areas, flora and fauna, special environmental features, parks, and conservation areas. The country also boasts cultural attractions; cultural attractions focus on archaeological, historical and cultural sites with the inclusion of national monuments (Inskip, 1991: 80). Like any other country in the world and in Africa, Angola also boasts various natural and cultural attractions. It is impossible to name them all, therefore figure 2 demonstrates some of the many tourism resources available in Angola.

Angola is a country rich in culture and in natural wonders. The country has an abundance of resources that have the need to be discovered, and explored because Angola has a tremendous tourism potential unlike any other country in Africa. The identified resources range from nature, culture, heritage, sun and sea. In total there are 2,600 tourism resources identified in the country (Director Tourism Plan of Angola, 2013: 16). The country is rich in natural, cultural and heritage, which differs throughout its provinces such as, the forest of Maiombe and others. The Giant Sable Antelope, and other wild-life species. Mountains and rock formations such as the Serra da Leba, Pungo Andongo Black Rocks and others. Cultural resources such as that of the Chokwe, the Kwanyama, the Umbundu, the Bakongo and others. As well, as heritage and memorials of the Angolan people from old kingdoms, colonization, and war struggles.

#### **4.3. ANGOLA'S COMPETITIVENESS AND TOURISM GROWTH**

Angola's economic and tourism competitiveness is very poor – the country seems to take a low position on the World Economic Forum's Index, if not the last. This might be because some of the conditions required for the country to be more competitive are not operational or implemented. The World Economic Forum (WEF) ranks countries within different regions (Europe, Americas, Asia Pacific, Middle East, North Africa, sub-Saharan Africa) according to performance in 14 areas (2015:6-7):

- Policy and regulations
- Environmental sustainability
- Safety and security

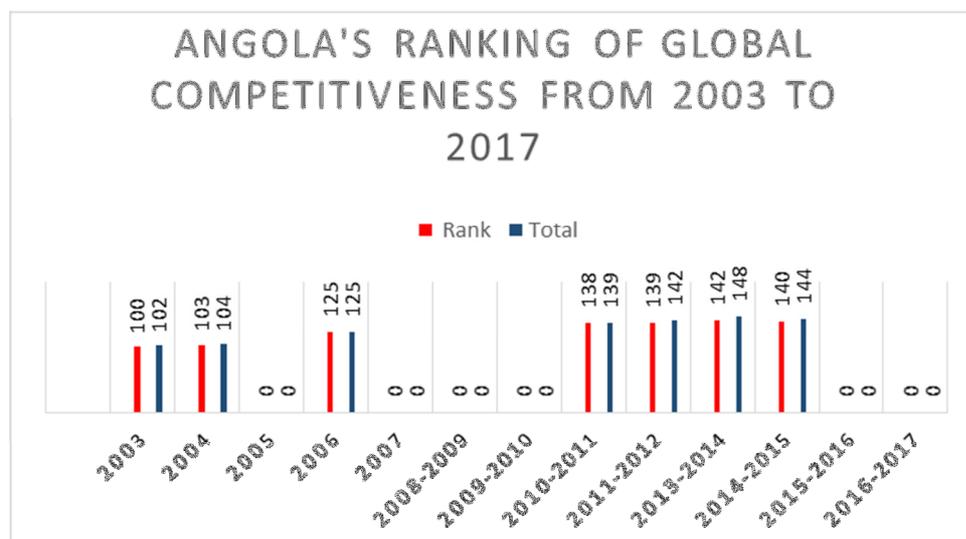
- Health and hygiene
- Prioritisation of travel and tourism
- Air and transport infrastructure
- Ground transport infrastructure
- Tourism infrastructure
- Information Communications in Tourism (ICT) infrastructure
- Price competitiveness in the Travel and Tourism (T&T) industry
- Human resources
- Affinity for travel and tourism
- Natural resources

Cultural resources

By adding the attributes described above, this is how Angola ranks on the Global Competitiveness Report (GCR) from the years 2003 to 2017, which is seen in figure 3. The colour red represents the position of Angola, and the colour blue represents the total number of countries on the report. Angola first appears on the GCR in 2003.

As such, we have to remember that the country was emerging from decades of war. For this reason, it is not a surprise for the country to be ranking low during the years following 2003. It is possible to say that Angola faces a critical problem because it seems to always be positioned at the end. However, we must understand that in order for a country to be externally competitive, it must organise itself internally. This is one of the issues addressed in the findings of this study. Additionally, Angola ranks low on the GCR because all attributes related to measuring competitiveness rank low, thereby making the country less competitive.

**Figure 2: Angola's Ranking of Global Competitiveness**



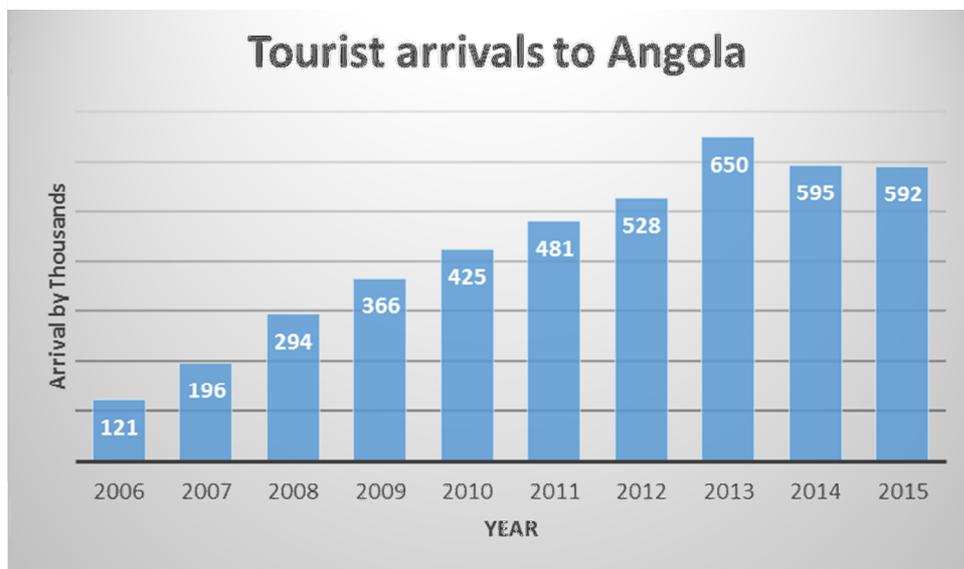
**Source:** WEF Global Competitiveness Reports (2003a-2017)

However, when analysing these reports it was noticed that Angola was absent from some reports, and for this reason there are zeros in Figure 3. According to the reports, Angola is not present due to “the lack of survey data or not enough information” (WEF,2005b;2009c;2015b;2017g). This raises many questions as to why Angola and other countries are not included in some of the reports. Researchers must address the issue of what is keeping them from gathering information at specific localities, as well as other problems they encounter not just in Angola, but in other countries too. Through addressing such issues, the countries may in future be able to help researchers collect data.

The World Travel and Tourism Council (WTTC, 2014:49-51) provides statistical information about Angola. In its 2013 reports it stated that 47% of people travelled to Angola for business, 39.2 % for jobs, 13.5% for vacation, and 0.2% in transit. Additionally, in 2015 after two years, leisure spending of direct travel and tourism contributing to Angola’s GDP consisted of 72.5% and 27.5% business spending. Foreign visitor contribution increased from 21.8% to 26.4%, while domestic spending decreased from 78.2% to 73.6% from 2014 to 2015 (WTTC, 2014:6; WTTC, 2015:6). This means the percentage of leisure tourists increased dramatically from 2014 to 2015, however, domestically people were spending less in the sector.

Angola’s tourism has grown immensely, because in 2015 the tourism entities of the country were able to establish the Angolan Hotels and Resorts Association (AHRA). There is also an active Association of Travel Agencies and Tour Operators of Angola (AAVOTA), in which active members travel to specific destinations in order to evaluate and market them. Since 2005, Angola has been able to publish a statistical report of its tourism and hotels market. The report shows the number of international arrivals, domestic tourists, and the number of jobs created by the sector. Angola does not use the term “Hospitality and Tourism” when talking about the sector; rather, they refer to it as “Hotels and Tourism”. Figure 3 below demonstrates how much Angola has grown thus far in terms of attracting tourists.

**Figure 3: Tourist Arrivals to Angola**



**Source:** Ministry of Hotels and Tourism of Angola (2006a-2015h)

According to Minhotour (2015), Angola’s tourism is expected to receive an estimate of 4.6 million tourists by the year 2020. Additionally, the sector is estimated to contribute 3% to the country’s GDP and create one million jobs. Figure 4 demonstrates how Angola’s tourism has grown after the establishment of peace from 2006 until 2015. At the moment this is all the information the researcher was able to acquire because during the fieldwork the reports for the years 2016 and 2017 were not completed. By looking at figure 4 we can see that Angola received more tourists in 2013 with an estimation of 650,000.

Angola's tourism sector has passed the development stage of Butler's tourist destination life cycle because it is growing. Some signs of growth are visible in the number of tourist arrivals to the country, job creation and the efforts to promote Angola internationally, as well as the launching of national activities and events related to tourism in order to create awareness of the country's natural and cultural resources. In terms of tourism, Angola is an emerging destination. Esu and Ebitu (2010:21) describe an emerging destination as a geopolitical area where tourism is accepted as a tool for socio-economic development and diversity. Emerging destinations have the opportunity to emerge due to their unique features, which distinguish them from mature destinations (Esu & Ebitu, 2010:27).

Angola is an emerging destination not only in terms of tourism, but also economically, because it is prepared to invest in modern products and marketing techniques that are not related to its extractive industry. For example, the country is investing in other areas of the economy such as agriculture, wood production, construction, and technology (Angola Embassy, 2014). Additionally, the country uses different strategies to reach the audience such as Youtube videos, the Welcome to Angola website, and participating in international fairs, as well as being part of a tourism organisation like the Regional Organisation of Southern Africa (RETOSA). This is beneficial because any tourist who visits the website of RETOSA will have access to tourism information about Angola. Today the country's airline and some hotels provide the option of online booking, which facilitates the lives of the typical virtual tourist. Overall, Angola is in a growing phase. Additionally, in order for tourism to be developed, a country must have a strategy and vision. A strategy is a blue print document of specific areas and goals that need to be achieved (Cooper, 2012:42). The vision is the practical achievable picture of the future of the destination based on the strategy. Therefore, the combination of both is concerned with the use of resources and techniques to attract tourists and to create demand (Cooper, 2012:42).

#### 4.4. ANGOLA'S POST-WAR TOURISM STRATEGY AND VISION

Angola envisions positioning itself as a diverse and animated destination in Africa by focusing on cultural and natural heritage, beaches and sports references. Figure 5 illustrates Angola's strategy followed by figure 6, which illustrates its vision.

**Figure 4: Angola's Tourism Strategy**



**Source:** Hotel and Tourism Ministry of Angola (2014g: 63)

According to the Statistic Report of Angola's Hotels and Tourism Market (2014:63-70) (Figures 3 and Table 2), the government plans to divide the target market into three phases. Phase 1 focuses on domestic tourism. Phase 2 focuses on the SADC market. Phase 3 focuses on the European and global markets. These phases are being acted upon because Angola's domestic tourism has grown tremendously and has a higher percentage than that of international tourists. These international tourists are from Europe, Asia, America, Africa and the Middle East (Hotel and Tourism Ministry of Angola, 2015). Thus far, Angola has made efforts to participate in the Indaba tourism fair in South Africa, which is a strategy to not only attract consumers from the SADC, but also from other parts of Africa because Indaba is a massive tourism event.

The country has also participated in tourism fairs and events in Spain, Berlin, Argentina, Havana, and Lisbon (Angop, 2013-2015). In other words, the country has

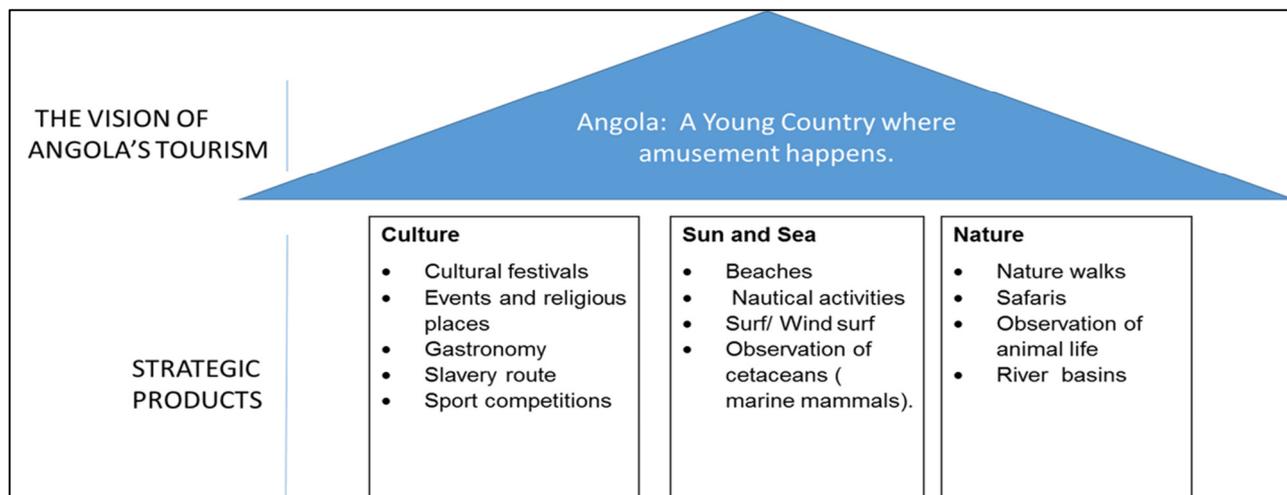
started to target the European market along with other parts of the world. The enrichment of what the country has to offer will focus on investments in the structure and specialisation of both destinations and professionals. In terms of promotion and distribution, Angola plans to build the image of a young and fun destination. This is accomplished via Angola's participation in mega-events to gain exposure, by creating tourism partnerships with neighbouring countries, and by re-enforcing its international young and dynamic image with focus on diversity, exoticism, autonomy, and security. Furthermore, for accessibility, the country plans to focus on the means of transportation and support infrastructure, reduce the price of international flights and public transportation, and revisit its visa requirements for entering Angola. For its service and competitiveness, Angola plans to invest in tourism institutions for the formation of human resources, control of the quality of products and services, and the monitoring of the levels of tourist satisfaction in external markets. For urban and environmental quality, the government plans to revamp urban areas to meet tourists' expectations (Angola Tourism Director Plan, 2013).

Some of these strategies have already been implemented, and for this reason Angola's business tourism experienced a boom during the years 2011-2012 due to its investments in facilities and infrastructures to attract people interested in doing business in Angola. By being one of the fastest growing economies in Africa and being filled with recognisable potential, Angola attracts people from all over the world. Barros, Dieke and Santos (2010:137) state that, "Angola is attracting business travellers, who are the main hotel users despite the problems of development". However, the same cannot be said for leisure tourism because of its low percentage, which might be related to the high prices within the leisure industry and lack of attention within the field.

Therefore, if Angola plans to be competitive in leisure tourism, it must revise its price accessibility strategies, with the ultimatum that everyone should be able to afford a vacation to Angola (Segadães, 2013). According to the *Angolan Investment and Business Opportunities Catalogue* published by the Angolan Embassy in South Africa (2014a:5-6), some of the fields waiting for investments are construction and public works, housing development, agriculture, natural minerals, food processing,

and wood production. This means that the government is looking for opportunities to grow the sectors, which directly contributes to the growth of tourism.

**Figure 5: Angola's Tourism Vision**



**Source:** Hotel and Tourism Ministry of Angola (2014g: 63)

The development plan of tourism allows a country to rehabilitate and expand existing destinations as well as to identify new ones (Cooper, 2012:258; Inskeep1991:16). Angola's development plan is divided into three phases, which entail geographical focus as presented in table two.

**Table 2: Angola's Tourism Plan**

<b>1<sup>st</sup> Phase</b>	The first phase focuses on the development of cultural attractions in Luanda and M'Bariza Congo. The development of sun and sea attractions in Cabo Ledo and Futungo de Belas. The development of natural attractions in Kalandula and Okavango. Along with the necessary infrastructures and facilities to support these attractions.
<b>2<sup>nd</sup> Phase</b>	The second phase focuses on the expansion of Luanda's, Namibe and Lufuvu's cultural areas. Benguela's, Lobito's and Namibe's sea and sun areas. Kissama's natural area. Along with the necessary infrastructures and facilities to support these attractions.
<b>3<sup>rd</sup> Phase</b>	The third phase focuses on the expansion and focus on the identified tourism potential of other provinces. As well as on the development of niche products.

**Source:** Ministry of Hotels and Tourism of Angola (2013f:15)

Since the end of the civil war, the government continues to undertake efforts in rehabilitating infrastructures damaged during the war and building new ones to support the growth of the country and tourism. This is visible in the transportation sector. The 4 de Fevereiro International Airport in Luanda has been rehabilitated and a new one is being built in Cacuaco. Additionally, Angolan Airlines (TAAG) has upgraded its technological facilities in order to provide a better customer service by including features such as online ticket purchasing and check-in (Austral, 2013:11).

TAAG also invests in the formation, training, and refreshment courses specifically for pilots, maintenance technicians, flight attendants and other personnel (Austral, 2013:22-23; Austral, 2015:12-13). The airports of Huila, Namibe, Huambo, Cunene, Bie, Cuando Cubango, Zaire, and Uige provinces have been rehabilitated and equipped to accommodate both domestic and foreign flights and passengers (Embassy of the Republic of Angola in South Africa, 2014:7). According to *Austral* (2014), TAAG flies to Rio de Janeiro, São Paulo, Havana, Johannesburg, Cape Town, Windhoek, Dubai, Pequim, Lisbon, Harare, Lusaka, Kinshasa, Brazzaville, and Praia. In terms of code share, TAAG flies to London, Frankfurt, and Paris, Amsterdam, Madrid, Addis Abeba and Nairobi (Austral, 2014).

Additionally, the three main railways of the country have been rehabilitated. The Luanda railway begins in Luanda and ends in Malanje province; the Benguela railway connects the Atlantic port of Lobito to the Eastern border in Moxico's Luau town and to the networks of south-eastern Democratic Republic of Congo, Zambia, and beyond; the Moçâmedes railway connects the Namibe and Cuando Cubango provinces (Embassy of the Republic of Angola in South Africa, 2014:7). The country has also invested in the construction and rehabilitation of roads and bridges that were damaged during the war. Therefore the country is making efforts to improve its transportation sector, which will allow people to travel to remote areas. The country started to promote its scenic beauty by launching the Seven Wonders of Angola, which counted on the collaboration of the people. The Seven Wonders of Angola are the following ( Bento, 2014):

- Tundavala Fissure (Huila Province).
- Maiombe Florest (Cabinda Province).
- Caves of Nzenzo (Uige Province).

- Kalandula Waterfalls ( Malanje Province).
- Morro do Môco (Huambo Province).
- Lake Carumbo ( Lunda Norte Province).
- The Falls of Chiumbe River (Lunda Sul Province).

At present, the country has a bi-monthly Tourism and Gastronomy Magazine called *Routes & Flavours*, which provides information about Angola’s tourist attractions, activities, and gastronomy. As part of the trans-frontier project, KAZA Okavango Zambezi, Angola has already established two reservation parks, which are the Mavinga National Park and the Luengue Luiana National Park, and it is working to accomplish more (Peaceparks.org, 2017). This project is part of the Peace Parks Foundations and considered one of the largest projects in Africa and in the world (Peaceparks.org, 2017). Additionally, this project is both a nature and community project; it is nature-based because it focuses on the preservation of fauna and flora and endangered species. It is community-based because it involves the well-being of the people inhabiting the conservation areas that are involved in providing cultural heritage and are educated about how to benefit from tourism and protect their environment (Peaceparks.org, 2017).

Figure 6 illustrates the map of the Okavango trans-frontier conservation project and how tourists will be able to transition from one country to another with the opportunity to experience both natural and cultural heritage (Peace parks.org, 2017).

**Figure 6: Okavango Zambezi Trans-frontier Conservation Area**



**Source:** Peace Parks (2017)

Everything that Angola has accomplished and is accomplishing would not be possible without the establishment of peace and reconciliation. Figure 6 illustrates this reality. Therefore, in order for the country to continue to grow, its peace has to be preserved. The tourism industry in Angola is a new sector, which the government is determined to develop and explore (WTTC, 2015). It is possible to say that the country is in its development and growing phase because there are established tourism infrastructures in place to accommodate tourists, although they are mostly owned by foreign hotel groups.

The host community is highly involved through either working for the industry, or through establishing their own businesses while constructions are taking place (WTTC, 2015). Angola has high expectations of the sector. For instance, the Ministry of Hotels and Tourism and the Ministry of Environment have joined forces and established departments responsible for working with KAZA. Additionally, according to Angop (2014), the government provided credit for SMEs in tourism through the Angola Invests programme by providing 150 million Kwanzas for small enterprises, and 500 million Kwanzas for medium enterprises. This credit was extended to those who wished to establish their own businesses. The country has also been recognised as an environment for foreign investment.

The Carlson Rezidor has signed five Park Inn by Radisson hotels in the cities of Luanda, Cabinda, Benguela, Lubango and Namibe (Carlson Rezidor, 2016). These destinations were strategically chosen for being commercial hubs with high potential for future growth. The country also participates in the Africa Hotel Investment Forum, which is important because it provides the opportunity for the government to network with potential foreign investors. According to Rombi (2017), Angola has invested US\$5.4 billion in the construction of its largest dam thus far, known as Lauca in Malange Province, which will double the energy capacity in the country. This is important because a stable distribution of power enables development and development attracts business.

There is also the investment of US\$3.8 billion in the new airport, which will be able to accommodate big planes such as the A380, and which plans to be in service at the

end of 2018 (Rombi, 2017). As a result, the new airport will attract a larger number of international arrivals. This is a great opportunity for the country because the more people land in Angola for connection flights to other parts of Africa, the more Angola's name will travel and be able to attract foreign investment, thus ensuring that Angola will become known worldwide. In other words, by investing in businesses, infrastructures, and participating in events, Angola is preparing itself to be one of the powerhouses in Africa, and is strengthening its competitiveness first internally and then external.

#### **4.5. MARKETING EFFORTS**

Angola participated in Meetings Africa 2016, which is a business tourism marketing event that brings local and international buyers, sellers, and visitors together within the tourism sector. The event is hosted in Gauteng, South Africa. During the event, Talatona Convention Hotel and DGMC Angola Meetings directly represented Angola. The Talatona Convention Hotel is a large luxury hotel with a large conference centre, the latest technology, spas, and restaurants. The hotel caters to everyone but especially to business individuals. DGMC is a marketing and communication enterprise that focuses on Lusophone and other markets, and specialising in organising business meetings and branding. These exhibitors provided information about the services provided to tourists interested in both business and leisure (Meetings Africa, 2016:35;62). Additionally, Angola was marketed by other exhibitors for being part of one of their many destinations. For example, some of the exhibitors that marketed Angola under their brands were TD Hotels, Private Safaris Destination Management, South African Airways, and Air Namibia (Meetings Africa, 2016:67-68). By being marketed by a foreign brand, Angola gains strong credibility as a tourism destination.

Furthermore, Angola is marketed in the International Festivals and Events Associations Africa Directory (IFEA, 2016). According to Landley (2016:57), festivals and events are beneficial for countries in need of economic and infrastructural development in order to gain international recognition. This is due to the festivals and events' ability to catalyse tourism "while showcasing a positive community brand, a

positive image to the media, business community, and visitors” (Landley, 2016:10). IFEA Africa is a partner of the Skills Village 2030 Co-operative, based on shared learning and earning social inclusion. The Skills Village 2030 Co-operative is a collection of co-operatives and Value Network Partners that utilises over thirty years of experience in the event industry to transform event know-how into a co-operative vehicle for sustainable socio-economic and environmental development solutions (UN, 2016).

Therefore, communities are being empowered through these programs. As part of the Sustainable Development Goals (SDGs), the Skills Village 2030 Co-operative creates a micro-economy for unemployed youth and graduates, and provides training and funding for enterprises, therefore automatically enabling people to become SME owners (UN, 2016). According to PWC (2017:16-18), SMEs should align themselves with SDGs in order to help in the development of their countries. However if SMEs fail to align themselves, “the government can intervene by reflecting the SDGs in the national business policies” (PWC,2017:16) to directly influence the operating business environment. IFEA also focuses on innovation and events aligned to the United Nations Sustainable Development Goals for the creation of micro-economies that maximise the multiplier effect. This contributes towards the increment of social, economic, and environmental health, as well as to the wealth of communities (2016:10).

Angola’s brand is evident in the giant sable antelope and the national colours (red, black and yellow). The country identifies itself by using the image of the black sable antelope on Angolan Airline planes (TAAG), sports jerseys and currency. Angola also identifies itself by using national symbols such as the flag and the national insignia (Angola embassy.org). Angola markets itself as vibrant place full of energy and flavours – a place with different natural, cultural and mineral resources that is eager to be discovered by the rest of the world (iExplore.com). Commercials about the nation of Angola featured on Angola’s international satellite channel (TPA International Channel) emphasise the following slogans:

- **They respect their land**

This takes Angolans back to the connection between humanity and nature, where both must coexist in harmony. According to Jax and Barton (2013), humanity values its land because it is sacred and blessed with natural, mineral and cultural gifts, which makes Angola a wealthy nation and without their land, the nation ceases to exist.

- **They are proud of being Angolans and of their culture**

This means that Angolans identify themselves with one another; they accept their history and struggles. This factor makes them what and who they are today. Angolans are eager to reconstruct a new image for their country with a lot of hard work and determination. They are eager to build a new Angola, regardless of what happened; they are ready to start smiling again. In other words, Angolan identity is based on historical ethnic influences and political history (Ch'ng, 2014:617). This means that despite all the different ethnicities present in the country, each citizen is proud to be part of one of them. This creates cultural awareness and appreciation. Locals appreciate and value their culture and resources because they are aware of the importance of their roots and are aware of their uniqueness. Cultural appreciation can cause the community to be highly committed to the development of cultural tourism or to become highly protective of their culture.

- **Their country is full of opportunities and is on its path to progress**

This means that the country is ready to explore new opportunities as a result of peace. Angola is ready to grow economically and socially, as well as politically. Therefore, it invites its citizens to begin to explore this opportunity brought by peace (Bellachew, 2015:13).

#### **4.6. GOVERNMENT INVESTMENT FOR SMEs IN ANGOLA**

In terms of investing in SMEs, the Angolan government is investing not only in tourism, but also in other sectors listed below. We have to understand that tourism is a multi-sectoral industry – it does not function by itself and it needs support (Cooper, 2012). The government also believes in its youth, and for this reason it is investing by providing credit lines for new and young entrepreneurs. The Minister of Youth and Sports stated that “the government of Angola approved a credit line worth US\$24 million to finance young entrepreneurs’ projects, and the maximum amount per project will be US\$200 000 (Macauhu, 2017). Therefore, by providing the youth with a credit line, the government enables younger generations to help in the growth of Angola by establishing their own enterprises to help in the creation of jobs and possible income for the country.

The Development Bank of Angola helps to distribute credit lines for SMEs through commercial banks. In order for business owners to have access, they must approach one of the twenty assigned commercial banks within the country. The credit lines are distributed among the following fields (Development Bank of Angola, 2017):

- Agriculture
- Infrastructure
- Service providers and Commerce
- Industrial production
- Tourism and Hospitality
- Technology and Information Communications
- Educational and technical assistance
- Any business involved in development.

There is also the PROjoven credit line, which translates to FORyouth. This is a credit line for young entrepreneurs. Young entrepreneurs are welcome to apply for credit either to start their businesses or to help their businesses grow. However, the applications are evaluated by the bank responsible for operating and distributing the credit, and not the Development Bank. The PROjoven credit line is available to anyone between the ages of 18 and 40, provided that they have their businesses

certified by INAPEM (2012) and do not have any debt at any bank (Development Bank of Angola, 2017). The programme, Angola Investe (Angola invests), was launched by the government to help SMEs finance their projects. The credit line is distributed via national commercial banks.

The Balcão Único do Empreendedor (BUE, The Only Counter for Entrepreneurs) was established in 2012 to aid in the establishment of small businesses and to mediate with banks concerning the financing of small projects. However, because many lenders failed during their first years of operation, and others were not able to pay back the money to creditors, the programme had to be cancelled. This is a problem because the government is helping, but the people are not taking responsibility for their part of the credit deal. Yet if the government did not facilitate the acquirement of credit lines, the people would complain and criticise the government for not helping them to establish businesses. Therefore it is a delicate situation, which might explain why the government can be seen as being difficult towards business owners who wish to acquire credit due to the negative impacts of people not returning the money.

Additionally, established in 2003, the Guichet Único da Empresa (GUE) was created to help business owners with their businesses from the developmental to the operational stages. This is resourceful because everyone can have an idea, but not everyone can turn an idea into a business. For example, due to peace and new roads, farmers from rural areas are now able to sell their products in the city – some have the opportunity to sell them to large and small supermarkets (Angop, 2016). This is possible due to Angola's ability to provide credit lines to citizens who would like to establish their own businesses. The country also offers opportunities to both national and foreign investors.

## **CHAPTER 5: RESEARCH METHODOLOGY**

This chapter discusses how the data was collected and evaluated. It includes the following: research approach, research sample of government officials and business owners, data collection through interviews, data analysis through thematic analysis, as well as the ethical considerations and reliability of the study.

### **5.1. RESEARCH APPROACH**

This study followed the paradigm of interpretivism, in which the researcher had to understand and interpret the current role played by SMEs for the development of Angola as a post-war tourism destination. Interpretivism states that the collection and interpretation of data is dependent on theory, which it is tested through scientific research (McGregor & Murnane, 2010: 5: 423-424; Willis, 2007:73). Additionally, Bryman and Bell (2011:14), state that in interpretivism, the researcher must be able to accept the differences between people and objects of the natural sciences. The researcher must be able to “grasp the subjective meaning of social action”. Therefore, interpretivism is relevant to this study because the researcher had to gather the necessary theory, before proceeding to collecting information from human participants based on their perceptions about the studied phenomenon (Fox & Bayat, 2013:10). As a result, the combined theory and collected data from participants “serves as a basis for the production of [new] explanatory theory about Angola as a post-war tourism destination.

The researcher provided a picture of some SMEs in Luanda Province, as well as Angola’s tourism development. The researcher was an observer and a participant, because she observed the usual working environment of government officials for a week and noticed that they were constantly in meetings and interacting between departments. Additionally, business owners in their working environment also received the researcher while interacting with either clients or staff. During the fieldwork, the researcher saw some construction taking place, especially in the Downtown Luanda bay area. There was also road construction to minimise traffic for those travelling to and from Kilamba city. People were working at these construction

sites, which meant that employment was being created. In total, the researcher was able to interview nineteen participants only. The reasons are explained in the study sample section.

## **5.2. TARGET POPULATION AND SAMPLING**

The aim of this study was to gather a sample of 30 business owners and 8 representatives from the Ministry of Hotels and Tourism in the province of Luanda. The researcher was able to interview eight government officials from the Departments of Education, Promotion, Development, Research and Planning, Tourism Activities, Technical help to SMEs and Hotels, and Similar. The governmental interviews were successful because they were internally organised and scheduled. However, the case was different when it came to gathering information from business owners where only 11 participants took part.

### **5.2.1. Government Officials**

Before starting the fieldwork at the Ministry of Hotels and Tourism of Angola, the researcher had to submit a letter asking the Ministry for permission, accompanied by a letter from the supervisor confirming the researcher's enrolment at the University of Pretoria and the focus of research.

Government officials were sampled based on purposive sampling because they were experts in the field; they investigate the field and are aware of the events taking place within the sector. According to Etikan and Musa (2016), purposive sampling is used in qualitative research, which identifies qualified participants and other individuals who are well-informed about the phenomena of interest. The Department of Education, which is responsible for receiving and assisting students who are interested in internships and in serving the sector internally, organised the interviews conducted at the Ministry. The researcher started the fieldwork at the Ministry of Hotels and Tourism where she had eight interviews scheduled with government officials. The Department of Education at the Ministry of Hotels and Tourism took on the responsibility to inform other departments about the interview and provided the questionnaires and information about the researcher.

### 5.2.2. Business Owners

The researcher started the interviews with SME owners throughout the different localities such as Talatona, Morro Bento, and Downtown. The researcher began by approaching and introducing herself to the participants and stated the reason for the visitation. Some business owners were able to have the interview on the same day of approach and others were not. For those that were not available on the same day, the researcher had to leave the questionnaire and return on a different day to collect the answers.

Business owners were selected non-randomly across Luanda. According to Bryman and Bell (2014:382), the inclusion of a population occurs entirely by chance. Unlike the government interviews, collecting information from business owners was the most difficult and challenging task of the fieldwork because they were hesitant. Business owners were reserved when it came to acquiring the answers to the questionnaires. Since some people were reluctant to receive and talk to the researcher, the researcher was not able to acquire the intended sample of 30 respondents. Only 11 people answered the questionnaires. This happened because people changed their demeanour and showed concern for their businesses and themselves once they read the questionnaire, perhaps thinking that the researcher was investigating them or their businesses. There is even a case where one participant kept a copy of the researcher's student card and signature as a cautionary measure, and asked, "*How can I know that I will not get into trouble by answering your questions?*" Some people refused to participate and they are entitled to do so according to ethics.

Additionally, the researcher was able to conduct some business owner interviews on the same day of approach. Some people were very attentive and willing to participate. Others kept their word and provided the answers after a few days of waiting, or due to the researcher's constant return to their premises to collect the answers, based on their dates of availability as provided to the researcher. It is possible to say that those who participated in the study know the value of research and why people do research. As one participant stated: *I will participate. I will help you because I know of the importance of your research, as I myself was once a*

*student and had to do the same thing. I know of the difficulties you are facing*". This demonstrates that the willingness to participate might be linked to the academic literacy levels. Perhaps some people were not keen to participate in the study because they might have viewed the researcher as a potential competitor. However, other people received the researcher, but kept her waiting for few days – a week or more – and would repeatedly tell her to return day after day until they would apologise for not being able to answer the questionnaire. Therefore those who received the questionnaires and were not honest during the first meeting ended up costing the researcher time and money that could have spent on another trip to another business owner or activity. Additionally, some business owners did not show interest at all while others did.

The participants ranged from owners of restaurants, travel agencies, and clothing stores. This is because tourists do not only book tickets and eat at restaurants – they also shop. The business owners also agreed that they contribute to the economy during the time that they generate receipts of services and products to people, either in the country or outside of the country. The researcher was able to interview 4 restaurant owners, 5 travel agency owners, and 2 boutique owners.

### **5.2.3. Secondary sources**

In terms of secondary data, the researcher utilised both governmental and public documentation. The documents were selected based on the information they contained in the form of strategy plans, development plans, statistical reports, and other public documents. These documents had to focus on tourism and SMEs. Additionally, the sources could not be published prior to 2010, with the exception of works that were rich in content, but were not re-published, especially in the case of historical sources.

### **5.3. PRIMARY DATA INSTRUMENT**

The primary information was collected via face-to-face interviews with both samples. The researcher decided to personally meet the business owners because they must be able to know to whom they are talking. This is important in an Angolan day-to-day interaction; due to the schemes that occur on a daily basis online, people feel safer when they meet with a person face-to-face.

This research collected data via face-to-face qualitative interviews using a semi-structured questionnaire, and allowed for the possibility of email if the participant's schedule did not permit a face-to-face interview (Ekinci, 2015:35:67; Bryman & Bell, 2014:41-42; Dwyer, Gill & Seetaram, 2012:309-314). Qualitative interviews require participants to freely answer semi- or unstructured interview questions, with the interviewer exploring the topic in depth (Bryman & Bell, 2014). This type of interview can be conducted on a one-to-one basis, where participants express their opinions and experiences about a specific topic. Additionally, the interview contains a limited number of questions. The main aim of a qualitative interview is to gather new information about a phenomenon, and to gain insight about the opinion of participants (Fox & Bayat, 2013:72-74). The advantage of a qualitative interview is to acquire information about personal perspectives and to allow detailed questions to be asked. However, its disadvantages are that such interviews are time-consuming and can be costly (Bryman & Bell, 2014:199-201).

During the fieldwork, the positive aspect of collecting information was the possibility of acquiring same day interviews as mentioned earlier. The negative aspect of collecting information was the fact that business owners were not available for the interviews, and the researcher had to repeatedly call or stop by the business to collect the answered questionnaires. Moreover, sending questionnaires via email was not worthwhile because people tended to ignore these emails. This was the case with the few questionnaires that the researcher is still waiting for, seven months later. In the attempts to overcome the negative aspects of data collection, the researcher had to re-schedule some of the interviews and continued to call for

answers. Please refer to Appendices B and C for the interview schedules used for the government officials and business owners respectively.

Table 2 lists some of the questions related to the study objectives in Chapter 1 tested empirically.

**Table 3: Questionnaire Format**

<p><b>1. Understand the unique aspects surrounding post-war tourism destination development.</b></p>	<ul style="list-style-type: none"> <li>• What type of challenges do you think Angola continues to face after the establishment of peace?</li> <li>• Do you think that peace plays an important role in the development of Angola?</li> <li>• How is the image of Angola internationally perceived?</li> <li>• Do you think of Angola as an emerging tourism destination after the war?</li> </ul>
<p><b>2. Identify the components of the destination development process</b></p>	<ul style="list-style-type: none"> <li>• What role do you think the government plays in the further development of Angola as a tourism destination?</li> <li>• What do you think is the image of Angola internationally?</li> <li>• Do you regard Angola as a tourism destination?</li> <li>• Do you think that Angola is competitive enough to be among the world's top tourism destinations?</li> <li>• Does Angola have the potential to compete with other destinations in the region of Sub-Saharan Africa?</li> </ul>
<p><b>3. Understand the role of small and medium enterprises in tourism destination development.</b></p>	<ul style="list-style-type: none"> <li>• Do you think that small and medium businesses contribute to the development of tourism in Angola?</li> <li>• What role does your business play in the community?</li> <li>• When did you decide to become a business owner and why?</li> <li>• Did you acquire any training in order to operate this business?</li> <li>• Does the government encourages the growth of SMEs in the sector of tourism?</li> </ul>

#### **5.4. DATA ANALYSIS**

The qualitative data was based on a thematic analysis, which allowed the researcher to analyse different themes without restrictions in the collected data (Bryman & Bell, 2014:350-351). Under data analysis, both primary and secondary data were analysed and integrated based on their specific themes. Thematic analysis is a flexible research technique not tied to a specific philosophical orientation. Its goal is to identify, analyse, and describe patterns and themes across a data set (Bryman & Bell, 2014:385).

Applied thematic analysis borrows from other theoretical and methodological camps such as grounded theory, positivism, interpretivism (such as this study), and phenomenology (Guest, Macqueen & Namey, 2012:15). According to Guest *et al.* (2012:17), applied thematic analysis has processes that are also systematic, and quantification can be employed. Its strengths include being well-suited to a large data set, inclusion of non-theme-based and qualitative techniques and analytic breadth, and its interpretation is supported by data and can be used to study topics other than individual experiences. Its sole limitation is due to its tendency to miss some of the more nuanced data.

Government and business owner data were integrated into themes based on the answers of participants. The themes identified in the interviews originate from fieldwork data collection instruments. In total, there were six identified themes. Two themes were present within both samples.

#### **5.5. ETHICAL CONSIDERATIONS**

Ethical consideration was taken into account during data collection. During the interviews, the researcher read the letter of consent aloud and informed participants that they had the right not to participate in the interviews if they did not want to, and they were not obligated to do so. They also had the right to stop participating at any time without any negative consequences. In addition, if they agreed to participate, they had to sign a consent form. Some participants chose to keep a copy of the consent form as a precaution in case the study violates their anonymity. When

dealing with human subjects, ethical consideration is very important due to the information required from the subject, who is likely to read the collected information (Bryman & Bell, 2014:119-124; Lovelock & Lovelock, 2013:7-8). Therefore the subjects have the choice to remain anonymous in order to protect their identity, and their consent is vital for the collection of information (Bryman & Bell, 2014:119-124; Lovelock & Lovelock, 2013:7-8). Refer to Appendix A for the letter of consent.

## **5.6. RELIABILITY AND VALIDITY**

Reliability questions whether the research project is repeatable and consistent (Bryman & Bell, 2014:24; Fox & Bayat, 2013:96-98). Validity questions whether if the main objectives of the research are accomplished at the end of the study, as well as if the research is reliable enough to be replicated (Bryman & Bell, 2014:24; Fox & Bayat, 2013:96-98). Validity is vital for any research because it is directly linked with the reliability of the research findings. The researcher is an Angolan citizen and did not encounter any language barriers because the official language is Portuguese. She also knew how to approach and interact with participants. The researcher tried to be as objective as possible by being a passive observer.

Triangulation was employed in order to support the research by combining the fieldwork findings with existing published information concerning the topic of research. Triangulation is a strategy to test validity through the merging of information from different sources (Carter, Lukosius, DiCenso, Blythe & Neville, 2014:546).

This is visible in the conclusion section, where the framework was designed based on primary fieldwork data combined with secondary data, such as published articles and official documents. According to Bryman and Bell (2014:45), triangulation is the use of more than one source of data, which allows the researcher to cross-check findings, as well as to provide a more valid and reliable understanding of a social phenomenon. The researcher, made efforts to interpret both interviews and documents for the readers as understandable as possible.

## **CHAPTER 6: DATA ANALYSIS AND FINDINGS**

This chapter provides the reader with the findings from the empirical study. More specifically, this chapter presents discussions addressed in the questionnaires, government and business owner participants, official documents, as well as a section on data summary of the identified themes. Chapter 7 closes with the conclusion and recommendation.

### **6.1. GOVERNMENT OFFICIALS**

#### **6.1.1. Angola after the war**

Participants were asked about Angola as an emerging tourism destination. Seven out of eight participants agreed that Angola is an emerging tourism destination, due to its tourism potential and natural and cultural resources. However, the eighth participant was neutral and could not provide a yes or a no answer, but believes in the country's tourism potential. The eighth participant stated,

*"I will not say yes or no but the country has resources to develop tourism, but until 2010 Angola did not have the basics to serve the sector but we have knowledge that tourism would significantly contribute to the diversification of the economy of any country".*

Additionally, participants were also asked about the challenges faced by the country after peace establishment. These challenges included the quality of the infrastructure, as indicated by five participants, particularly the water, electricity, and human capital development. Three participants also stated that Angola faces economic challenges.

Participants were also asked about the importance of peace for the further development of Angola. All the participants agreed that peace is fundamental for the development of Angola, as well as the tourism sector because tourism is a peace industry. As stated by one participant,

*"Peace is everything, without peace a country cannot develop, it cannot attract people and grow its economy. Tourists can walk freely and facilities*

*can be built, and people can move around easily from one province to another with more freedom and without fear”.*

Additionally, any post-war country that would like to develop and grow must have peace. Three out of eight participants agreed that Angola continues to be linked to the image of war. The other three respondents agreed that Angola is viewed as a young hard-working country that was able to transition quickly from war to post-war. One participant stated that Angola is not positively perceived internationally due to its current economic crisis.

### **6.1.2. Angola as a tourism destination**

Participants were questioned about Angola as a tourist destination and the role of tourism for development. All of the participants stated that Angola is a tourist destination because it is able to attract and accommodate tourists due to its natural and cultural resources. However, it needs to look at the issues of visa acquirement for tourists and be able to transform resources into adequate products. Additionally, various opinions were voiced on the role of tourism as a tool that assists in the development of Angola. Three participants agreed that tourism contributes to the development of Angola because it brings foreign exchange currency into the country. Two participants stated that tourism could assist in the development of Angola; however, the country needs to increase its offers. One participant stated that the sector needs to be organised to be able to contribute to development. Another participant stated that tourism is assisting in the development of Angola and for this reason the sector is being prioritised in order to diversify the country’s economy. The eighth participant stated that tourism contributes to development because it is a sector that has a fast monetary distribution. The participant stated,

*“Tourism is a tool that will assist in the development of Angola, because the more tourists we receive the more financial receipts the country receives. It creates employment, multiplier effect, and foreign income exchange. The tourism sector has a faster monetary distribution from the airport to the taxi, from the taxi to the hotel, from the hotel to restaurants and shopping”.*

Moreover, participants were asked about Angola's potential to compete with other tourism destinations. There were mixed views on Angola's potential to compete with other destinations (specifically in the region of Sub-Saharan Africa). According to participant one, Angola has the potential to compete with other destinations, however, the sector is disorganised and human resources need to be properly trained. Participant two stated that Angola has the potential to compete with other destinations due to its resources; but also that every country is different:

*“Angola is able to compete with some countries, but not all. Every country that has experienced war has difficulties in terms of infrastructure; there are difficulties that are only exclusive to Angola because the country has different politics and structures which differs from country to country”.*

Additionally, the third participant stated that Angola has the potential to compete due to its resources; however, the business environment does not facilitate the growth of the sector. According to the fourth participant, Angola has the potential to compete; however, the country needs to turn potential into competitiveness. The fifth and eight participants stated that Angola is able to compete due to its resources. Participant five stated,

*“Angola is able to compete with countries in Sub-Saharan Africa because it has unique resources that differs from other destinations. The geographic position of Angola is an Advantage, because it is almost central and north. And it has access to air transportation, aquatic transportation, and access to the Americas, Africa and Europe. Angola has a strategic position”.*

However, there is the need for development. Additionally, the sixth participant stated that Angola is not able to compete because it does not have the necessary conditions. The country was at war, and for this reason it differs from other countries. According to participant seven, Angola can compete but not with advanced countries.

### 6.1.3. The role players in development

Participants were asked about the important roles of government and SMEs in tourism for development. The government is a key role player in the further development of Angola as a tourism destination. According to four participants, the government prioritises the tourism sector by providing the necessary attention for the sector to grow. Additionally, the other four participants stated that the government is responsible for regulating the sector, tourism activities, and establishing policies. As participant three stated, *“The government’s role in Angola as a tourism destination is to define the activities of the sector, regulations and plans for its development”*.

All participants indicated that SMEs contribute to the development of tourism in Angola (Luanda). According to six participants, SMEs contribute to the development of tourism because tourism is a private sector industry, which creates employment. One participant stated that SMEs contribute to tourism development because they are directly involved in providing services and products to low- and middle-income tourists. Another participant stated that SMEs contribute to tourism development; however, they need to be guided properly in order for their contribution to be visible. As stated by participant three,

*“SMEs do contribute to the development of tourism, they have to, because they are the ones who are directly involved in providing for median and low income tourists. Law 30/11 regulates SMEs in tourism economic rotation by creating employment. The politics are present, but they are not in sync. For this reason, SMEs do not contribute to their full extent. Participant three also questions whether Angolans have the education to become successful entrepreneurs”*.

It was indicated that support in terms of unity is needed from various government departments/ ministries. Seven participants agreed that various government departments and ministries support tourism, such as the ministries of culture, environment, interior, youth and sports. This is because tourism has an intrinsic relationship with these sectors. One participant stated that various ministries and governmental departments support tourism because it is one of the tools for the

diversification of the economy. The importance of a skilled labour force within the hotel and tourism sector was also highlighted. As stated by a participant,

*“There are sufficient qualified human resources, however, service quality must be improved...but things are being done to change this picture, because tourism changes daily and the country has to make efforts to adapt itself to the market...government is making investments and we need more human resources”.*

Four participants agreed that there is a need to have an increasing amount of well-qualified human capital within the sector. One participant stated that there are not enough sufficiently-qualified human resources due to the poor levels of qualification. Another participant stated that there are some human resources, however they are not able to properly serve the sector. Additionally, one participant stated that there is sufficient qualified human capital; however, there is need for more. The last participant also stated that there are not sufficient qualified human resources but institutions are being built to solve the problems.

## **6.2. BUSINESS OWNERS’ RESPONSES**

### **6.2.1. Angola after the war**

Business owners were asked about the challenges faced by Angola after the establishment of peace. Four business owners agreed that, despite the establishment of peace, Angola continues to face basic infrastructural problems and unemployment. According to two business owners, there are various challenges faced, including economic development, education, and health services. Another two participants stated that Angola faces the challenges of disorganisation, which will take decades to rectify. Additionally, one participant stated that there are various challenges, the main being the scarcity of well-qualified human resources. Another participant stated that there are various challenges; however, the lack of unity between sectors is the main problem. According to one participant, there are many difficulties for Angola, because it only started its national reconstruction a few years ago. A participant stated,

*“After the establishment of peace Angola continues to face basic problems such as water availability, electricity, hospitals...some roads are in bad conditions even though there is the effort to maintain good roads...The difficulties faced by the country after the establishment of peace are unemployment and bad infrastructure...The country has many difficulties...Angola is at the phase of organisation which will take decades, because the country is disorganised almost in every sector from its economy to tourism”.*

Business-owners were also asked about the importance of peace for the development of Angola and tourism. All eleven participants agreed that peace is crucial for the development of Angola and its tourism sector. In the words of one participant, *“Peace is a precious good for any country in the stage of development and the 15 years of economic growth and the free circulation of people and goods demonstrate the importance of peace”*. Six participants stated that tourism is a tool that will contribute to the socio-economic development of Angola because it is a source of financial receipt worldwide. The participant stated,

*“Tourism contributes significantly for the socio-economic development of the country; unfortunately, Angola’s reality is different and has a lot to accomplish in order to change its reality. There will be changes because Angola is in the process of diversifying its economy by using tourism as one of its tools”.*

One respondent stated that tourism does not assist in the development of Angola because a lot needs to be accomplished. Three participants stated that tourism assists in the development of the country due to its natural and cultural resources. Another participant stated that tourism aids in the development of the country, however, a lot needs to be accomplished. Regarding the international perception of Angola, a participant stated,

*“The image of Angola has gotten better because the images of destruction are not visible today, as it was during the war times. Angola has an image to present to tourists; it does not have images of war refugees and things like that...Angola can be used as an example for other countries experiencing conflict in Africa”.*

All eleven participants agreed that the image of Angola has changed tremendously; however, a lot of work is needed because some parts of the world continue to associate Angola with war.

### **6.2.2. Angola as a tourism destination**

Participants were questioned about Angola as a tourist destination and the role of tourism for development. All of the participants agreed that Angola is a tourist destination because it is able to receive and accommodate foreign tourists. As stated by participant three,

*“Angola is able to attract international tourists due to its touristic capacity. Angola already has hotels and transportation infrastructures to attract and accommodate foreign tourists. However, it needs organisation, promotion, and discipline in order to succeed in the sector... Yes, due to natural, historical and cultural resources”.*

When asked about Angola’s potential to compete with other destinations (specifically in the region of Sub-Saharan Africa), seven participants stated that Angola has the potential to compete with other destinations; however, there is the need to invest in infrastructure and human capital.

One participant stated that Angola is not competitive enough to compete with other destinations because it needs to organise itself first. Two participants stated that Angola is not ready to compete with other destinations due to its economic situation. One participant stated that peace has enabled Angola to compete with other destinations. Participants were asked about the role played by government in the development of tourism and all of them agreed that the government is doing its part in the country’s rehabilitation, construction of infrastructures, and employment creation, but it still needs to do more.

### 6.2.3. Characteristics of SMEs in Luanda

Participants were asked about their motives for becoming business owners, the number of years of their businesses' existence, and their number of employees. There are various reasons that motivate people to become business owners. For example, participant one decided to open a business after the war in order to create jobs. As he stated, *"I decided to be an entrepreneur after the war seeing that the people were in need of jobs. In addition, my parents were merchants and involved in entrepreneurial activities"*. Participant seven decided to become a business owner in order to be self-reliant. Participant three decided to become a business owner due to passion for food and to have economic security. As she stated, *"I decided to be an entrepreneur due to my passion for cooking and for economic security and to contribute to the growth of the country"*. Participant four decided to open a business due to financial necessity. Overall, six participants decided to open a business due to opportunity.

Additionally, the businesses' years of existence differed, as well as their number of employees. The average existence of the businesses was more than three years. Two participants have five employees. Two participants have four employees. Participant number one has seventeen employees. Participant three has twenty-three employees. The fifth participant has ten employees. The seventh participant has six employees. The eighth participant has twenty-six employees. The ninth participant has seven employees. The eleventh participant has thirty-five employees. As mentioned by one SME-owner, the number of employees is related to productivity and quality. For this reason, there is no need to have a large number of employees if they are not able to deliver quality services. Additionally, nine out of eleven respondents received training or had some work experience before deciding to open their own businesses. For example, participant five stated, *"I started working in the sector, for a flight company, travel agency, and studied Amadeus. Later [I] thought that I had the necessary experience to start my own company because it is something that I like to do"*. However, two participants did not acquire any training or work experience at all, as they both started out of necessity.

#### 6.2.4. The role of SMEs in the community and economy

Participants were asked about the role of their businesses in the community, the benefits from the tourism industry, and the opportunities presented for other people to become business owners. SMEs play an important role in the community. According to four participants, the role of their businesses is to create employment and to engage in social responsibility. The other seven participants stated that the role of their businesses is to create employment. However, not everyone believes they can benefit from the sector, as stated by different participants. Participant one stated,

*“The businesses’ fundamental role is to create employment and help people dress well”*. Participant four stated, *“The role of my business is to create employment, social work, with the inclusion of serving soup for the needy on Thursdays”*. Participant five stated, *“The role of my business is to sell services related to tourism”*.

As part of the tourism sector in Luanda, business owners stated the following. Nine participants stated that their businesses benefit from tourism because they serve the sector either directly or indirectly. However, two participants stated that their businesses do not benefit from tourism. All the participants agreed that they are part of the tourism sector, because they provide tourism related services, selling destinations, ticket bookings, and restaurant services. Additionally, the development of tourism presents opportunity for the establishment of more businesses. According to eight participants, the development of tourism presents opportunities for the establishment of other businesses because Angola is a country of opportunity. However, the business owners must know how to explore these opportunities. Participants four and seven stated that if more tourists travel to Angola there will be more opportunities for people to open their own businesses. According to participant eight, the development of tourism presents opportunities for people to establish their own businesses due to inspiration from other business owners within the sector. As participant eight stated, *“More tourists, more businesses”*, participant three stated, *“More conditions, more entrepreneurs and more tourists”*, and participant four stated, *“My business creates inspiration for other businesses”*.

### **6.2.5. Challenges faced by SMEs**

Participants were asked about the challenges they face as business owners. The majority of business owners experienced the same type of difficulties. Participant one faces financial crisis due to the economic condition of the country. Participant two faces the difficulties of supplier scarcity and high market prices. Participant three faces the constant difficulty of availability of water and electricity. Participant four faces difficulties in terms of high market prices and the unstable availability of water and electricity. The fifth participant faces financial difficulties, including the unstable availability of water and electricity. The sixth participant has difficulties with embassies in Angola that do not facilitate the work of travel agents. The seventh participant faces difficulties in the accessibility of foreign currency and reaching international clientele. The eighth participant faces difficulties in the business environment, as well as in terms of the availability of water and electricity. The ninth participant faces the problems of providing services to clients outside of Angola, due to the country's financial crisis, as well as the access to foreign exchange and embassies not facilitating the visa acquirement process for clients. The tenth participant faces difficulties in terms of accessibility to credit. The eleventh participant faces the difficulties in the supplier market as well as high prices.

Since acquiring finance is difficult, business owners would rather finance their own businesses. All of the participants, except for participant nine, stated that their businesses are personally financed. Participant nine stated that initially the business was personally financed however, due to the growth of the business, credit had to be acquired from a public governmental institution and paid off afterwards. Additionally, ten participants stated that they do not receive financial support from government institutions. However, one participant stated that government does not provide money, and that it should be the other way around.

## **6.3. OFFICIAL DOCUMENTS**

### **6.3.1. The Embassy of Angola Information Brochure 2014b; 2017c**

These informational brochures about Angola, stress the importance of peace for development and how Angola has grown thus far as a result of peace. This document also stresses the importance of peace for the reconstruction and growth of the country. The document discusses development and growth in the education sector, urban development, water and power supply, manufacturing, tourism and many others. The researcher only listed these areas of concern because they are the necessities that must be in place to aid in tourism development and growth, and they have a direct influence on tourism and private investment.

Under the title line, the Embassy of Angola Informational Brochure reads: "Peace, National Reconciliation, Reconstruction, Growth and Opportunity". There is a quote from the former president which reads, "*We know from our own experience how painful are the effects of war and which values peace promotes*". In other words, the country recognises the importance of peace and advises other countries to protect their peace, as well as to prevent themselves from going into war and from having other conflicts because war divides a nation, causes destruction, and prevents development and growth. For this reason, the country embraces and emphasises the importance of peace, national reconciliation, reconstruction, growth and opportunity for a better and brighter Angola.

#### **6.3.1.1. Education sector (Human resources)**

Government recognises that education is important and the main source of human resource development. For this reason, it has been investing in the sector and views education as the means to reduce poverty and enrich human resources. For instance, after 12 years of peace, "the country had more than 17 universities and 44 institutes of higher education with an additional investment of more than US\$ 480 million for 53 new secondary and technical schools" (Embassy of Angola, 2014;2017 Informational Brochure). This demonstrates that government is making efforts to

equip human resources, to enable the country's development and growth. The world must acknowledge that Angola has come far in terms of education, because during the period of war it was not able to invest and build educational facilities.

As stated by the Ministry of Education, "Education reform only started in 2004" (Ministry of Education, 2008a: 4). A team of appointed individuals were sent to the 18 provinces of the country to investigate the needs of teachers, students and infrastructures in terms of education in order for the government to create solutions. As it can be noted from the above-mentioned figures, education reform is proving to be successful. The government's prompt investment in the education sector after the achievement of peace has led to an active decline in the illiteracy rate, which now stands at 35% compared to 95% in 1975 (Embassy of Angola Informational Brochure, 2014;2017).

Urban development is important as part of tourism to provide for tourists' basic facilities as discussed earlier. The development of towns, schools and supermarkets at various locations is important because it implies that roads and other necessary facilities are also being built to accommodate the population in new locations. The brochure also states that the government plans to build 213 000 low-income houses and 14 new residential cities by the end of 2017. Residential cities can attract tourists because they end up having restaurants, supermarkets and areas for entertainment such as parks, movie theatres and many more. Additionally, this project is based on a public and private partnership. As stated earlier, government must work with the private sector in order to stimulate development and growth.

### ***6.3.1.2. Water and Electricity Supply, Manufacturing, and Tourism***

According to the Ministry of Energy and Water (2016), during the war many water and electricity systems and supplies were destroyed. Although the plans for rehabilitation have been in place since the establishment of peace, changes were only visible after a few years as is the case of the "water for all" programme. Changes in the rehabilitation of water systems and distribution networks have been visible since 2008 and government has been able to distribute water to remote areas throughout its national borders. As stated in the 2016 investment programme of

water and electricity sectors by the Ministry of Energy and Water, “The water system of the country is to be rehabilitated and extended nation-wide, and the distribution of water should be nation-wide especially in rural areas of the country”. This is the document from which the “water for all” project originated. Additionally, most parts of Angola remained without electric power because the power houses were destroyed in the middle of the conflict. The government has made efforts to rehabilitate three hydroelectric dams such as the Capanda, the Gove, and Cambambe. As of 2017, Lauca, the largest dam in Angola is fully operational and supplies electricity to 750 000 households.

The manufacturing sector is vital for the survival of any society. Manufacturing is important because it is through manufacturing that suppliers are created, therefore equipping the country for investors to operate in the business environment (Embassy of Angola Information Brochure, 2014;2017). In other words, investors want a country that is able to provide them with affordable material to extend their businesses. Angola is making progress in terms of manufacturing by opening new factories to produce materials such as fibre optic cables, paints and varnishes, fencing, wires, hardware, metallic structures, electrical materials, construction, irrigation, timber, food, beverages, clothing, poultry-based products, hygiene and many more. The Ministry of Industry’s published magazine *Indústria* (2014) stated that Angola participated in the first forum of inclusive and sustainable industrial development in 2014 in Vienna, Austria. This demonstrates the country’s eagerness to learn more about the sector and to further develop itself. This is where SME owners emerge. For instance, the Ministry of Industry launched a programme called the Funding of SMEs in Rural Areas (PROFIR) in 2014, with the aim to stimulate entrepreneurship in rural areas and stimulate local economy. This is one of the many mechanisms utilised by government to eradicate poverty and to create employment. By doing so, businesses related to agriculture, fishing and others have the opportunity to gain investment. These sectors discussed above together support the tourism sector.

Additionally, the government views tourism as a tool that helps in the international recognition of the country. The country does prioritise the sector and views it as an

instrument to help in the establishment of the necessary infrastructures and services to cater to both national and international tourists. Additionally, the government is “committed to developing human resources to serve the sector” (Embassy of Angola Informational Brochure, 2014b;2017c). One example would be the school for ranger training and the higher education school of tourism and hospitality in Cuando Cubango Province. It is a good strategy to have a tourism institution in Cuando Cubango, because Angola is part of the Okavango-Zambezi Trans-frontier project, which is closest to Cuando Cubango Province. Another example of Angola’s progress in tourism is the fact that it had “less than 30 hotels in 2002 and by 2015 it had 185” (Embassy of Angola Informational Brochure,2014b;2017c). Today it has more and others are still being built. Further information about the tourism sector will be addressed in the documents below.

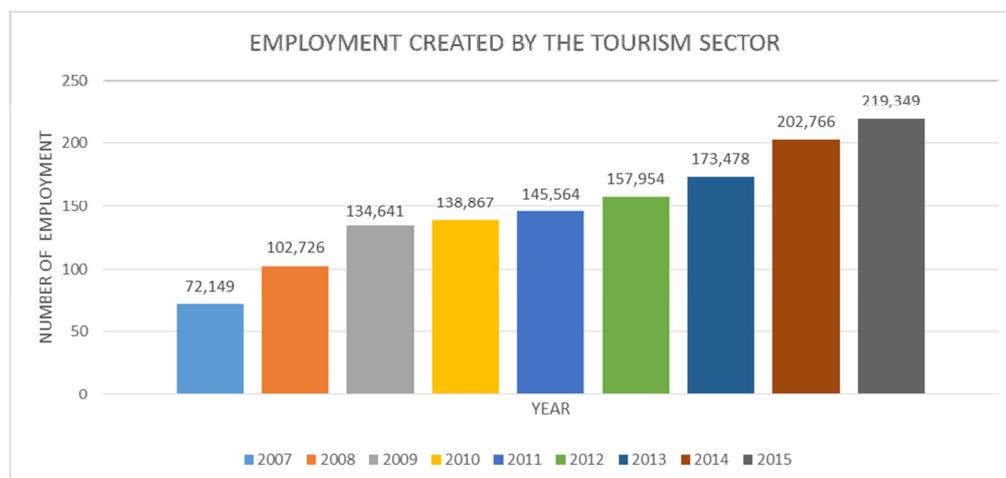
### **6.3.2. Tourism Director Plan of Angola 2011-2020 and Tourism Statistics Reports 2006-2015**

This analysis focuses only on aspects in the document that relate to the topic of research. The Tourism Ministry completed fieldwork and compiled the information (Tourism Director Plan, 2014). It has identified and classified the different types of resources, problems and solutions to better develop and promote growth within the sector. The government recognises the potential of the private sector for the further development and growth of the sector. The report talks about how “private investment accelerates knowledge, and improves the offer of tourism products” (Tourism Director Plan, 2013:29). It is important that Angola recognises this aspect of developing its tourism sector, because it would be impossible for the sector to be developed by government alone. Additionally, the tourism sector has contributed tremendously in the creation of thousands of jobs since the year 2005, as indicated on figure 8 the government acknowledges the problems faced by the sector, such as that of infrastructure and support system of the qualification of human resources and information availability. As stated in the report, the “absence of infrastructure affects the condition of the country as a tourist destination” (Tourism Director Plan, 2013:34).

Like any other country, Angola also recognises the economic benefits of tourism for investment, foreign currency generation, diversification of the economy, employment creation, social inclusion, and poverty alleviation. Emphasis is also placed on the importance and involvement of every stakeholder in the development of tourism. Combined, the factors discussed above lead us to the strategy, vision and plans for the development and growth of Angola’s tourism sector (Ministry of Hotels and Tourism, 2013:46). In addition, the Ministry of Hotels and Tourism (2015) also emphasises the impact of tourism for economic diversification and employment creation. It also provides statistics of arrivals to the national borders in 2015, totalling 592 495 people. Additionally, the report discusses the importance of tourism for the conservation of natural resources and culture. For instance, Angola has conservation parks for endangered species, especially Cangandala National Park, which houses the beautiful giant sable antelope. The giant sable antelope is unique to Angola and is its mascot; it is prohibited from being captured by people in general. Some species are considered to be endangered because many have been killed in the cross-fires of war.

Figure 7 represents the amount of employment created by the tourism sector of Angola over the years.

**Figure 7: Number of employment created by the Angolan tourism sector**



**Source:** Ministry of Hotels and Tourism of Angola (2007b-2015h)

As can be seen, tourism has contributed tremendously to employment creation.

### **6.3.3. THE NATIONAL DEVELOPMENT PLAN OF ANGOLA: 2013-2017**

This section only focuses on the aspects concerning the topic of research.

One of the government's main focuses in the National Development Plan is to develop and strengthen the main economic sectors of the country, including tourism. These sectors include agriculture, fisheries, industry, commerce, environment, and tourism. The aim of government is to promote sustainability and competitiveness in each sector (National Development Plan, 2012). Like the other sectors, tourism is also being shaped into a sustainable and competitive sector by focusing on the sector's policies, resources, marketing, development of human resources, and other strategies. Being co-dependent on one another, these areas are in need of both human capital and infrastructure for growth.

Additionally, government also emphasises and recognises factors, such as energy, water, construction, telecommunications and information technology, as well as transportation to some of the infrastructures, which must be in place for successful development. The document also focuses on the social sector mainly by looking at primary and higher education, rural development, culture, health and many others. The document also discusses the institutional sectors and focuses on preserving the country's peace and stability, as well as the entrepreneurial sector of the country together with public and private partnerships, and many others (National Development Plan, 2012).

The Angolan government assists in the establishment of SMEs. There are programmes such as Angola Investe (Angola Invests), Meu Negócio Minha Vida (My Business My Life), and Reconversion of the Informal Economy (PREI). For instance, some of the focus of Angola's investments is to facilitate credit access to business owners, and to promote national production and consumption of products and services. The focus of My Business My Life is to implement the BUE's programme in every municipality of the country, as well as to implement financial means to help small businesses and to promote technical training to micro-entrepreneurs. In addition, the Reconversion of the Informal Economy focuses on the development of

a system to nationally identify businesses operating in the informal sector. It also aims to encourage informal businesses to create co-operative groups, as the government plans to create a financial credit line for co-operatives, as well as to help informal businesses become formal (National Development Plan, 2012).

#### 6.4. MAIN THEMES IDENTIFIED

Based on the findings these were the following themes were identified as the key aspects that are relevant when considering the role and importance of SMEs in the development of tourism in a post-war destination.

**Table 4: Identified Research Themes**

PARTICIPANTS	IDENTIFIED THEMES
Government Officials	<ul style="list-style-type: none"> <li>• The importance of peace for development.</li> <li>• The importance of SMEs for tourism and development.</li> <li>• Government encourages growth for SMEs.</li> <li>• Angola's tourism potential.</li> </ul>
Business Owners	<ul style="list-style-type: none"> <li>• Employment creation.</li> <li>• The importance of peace for development.</li> <li>• Angola's tourism potential.</li> <li>• Angola's infrastructural conditions.</li> <li>• Self-finance.</li> </ul>
Official Documents	<ul style="list-style-type: none"> <li>• The importance of peace for development.</li> <li>• Angola's tourism potential.</li> <li>• Government encourages growth for SMEs</li> <li>• Employment creation</li> <li>• Angola's infrastructural conditions.</li> </ul>

Both government officials and business owners stated that peace is important for development. Government officials and business owners recognise Angola's tourism potential, along with the condition of Angola's infrastructure. Additionally,

government officials agree that SMEs are important for tourism and development, and that the government encourages their growth by opening credit lines. All business owners stated that they personally finance their businesses, and nine stated that they have acquired training and experience prior to becoming business owners. These themes will be further developed under the conclusion section and compared with the literature from chapters two, three and four. Although participants agreed on the majority of the questions, they differed in others. This demonstrates that everyone can have a different perspective of a phenomenon, regardless of his or her environment. In addition, the official selected documents also address the issues presented by participants.

The next chapter uses the identified themes to develop a framework for the role of SMEs in tourism in a post-war destination.

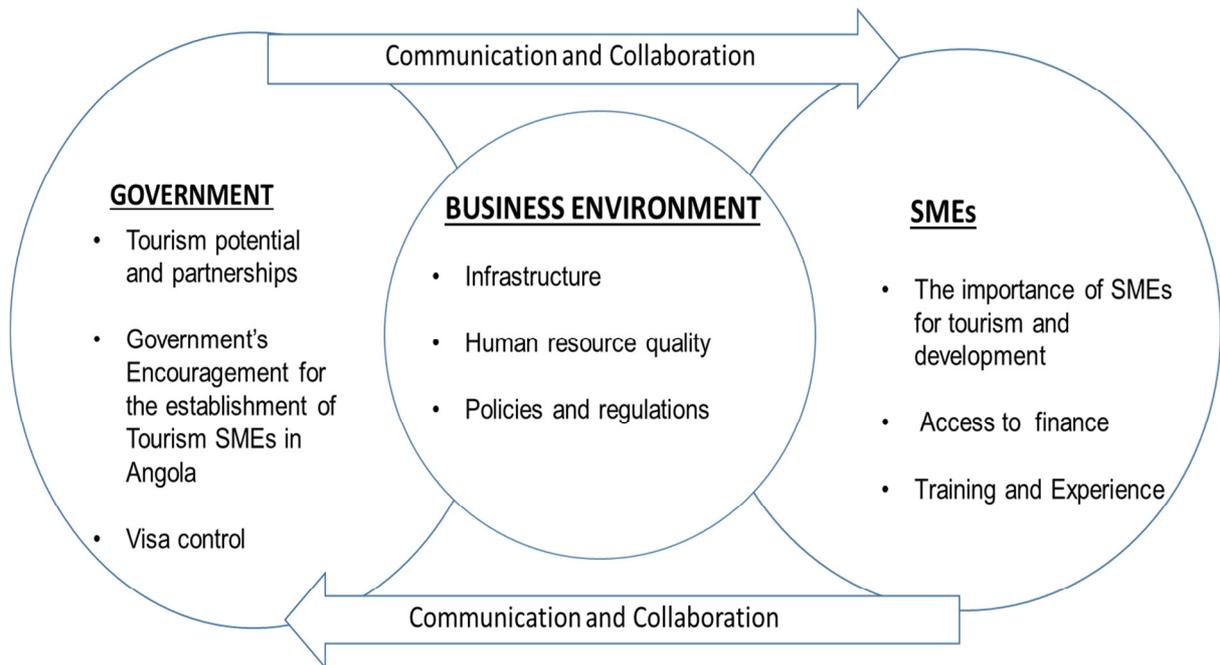
## **CHAPTER 7: CONCLUSION AND RECOMMENDATION FOR FUTURE RESEARCH**

This chapter discusses the identified themes in more detail and links to the literature in the previous chapters by looking at the following: Angola's tourism potential and partnerships, visa control, the role of SMEs for tourism and development in Luanda, training and experience, infrastructural conditions, human resource quality and recommendations. Therefore, this chapter summarises all the study objects in relation to study objective number five.

It is possible to say that all the themes discussed are related to the importance of peace for development. The themes that were identified are Angola's tourism potential, the importance of SMEs for the development of tourism and Angola, and the condition of infrastructures. Although the country has experienced peace and stability for 15 years, it still faces some difficulties. As a post-war emerging tourism destination, Angola faces many difficulties, such as that of well-qualified human capital to provide quality services. Some issues relate to the access of water, electricity, and inflation caused by the effects of the global economic crisis, as well as access to visa acquirement by tourists. However, the government is working to solve these issues. This is also indicated in the documents from the Ministries of Energy and Water, Education, and Urban Development above.

The following framework (Figure 8) is presented to show the various themes and their interrelationships.

**Figure 8: Framework for the role of SMEs in a post-war destination**



### **7.1. COMMUNICATION AND COLLABORATION**

The most important factor that enables the success of the guidelines discussed below is communication and collaboration (Cooper, 2012: 37; Jamal & Stronza, 2009:175-177). This concept takes us back to the section on stakeholder collaboration, which is key for a healthy relationship between SMEs, the business environment and the government (Haddadi & Khodadadpoor, 2015; Novelli & Morgan, 2012; Keyes, 2012). The government must listen to the concerns of SMEs and help them to solve the issues they encounter. In turn, SMEs should also listen to the concerns of the government and demonstrate their visible and invisible contributions to society. All SMEs serve a specific sector under the government's control; as a result, they intersect in the business environment (Jayasekara & Thilakarathna, 2013:9). In tourism, SMEs serve mainly the accommodation and service-related sectors (BER, 2016). Therefore, SMEs and government must work together, listen, and respect each other's needs. They should understand that one party cannot be responsible for everything (c.f. Haddadi & Khodadadpoor, 2015; Novelli & Morgan, 2012; Keyes, 2012).

## **7.2. THE ROLE OF GOVERNMENT**

### **7.2.1. Angola's Tourism Potential and Partnerships**

Angola's tourism industry is growing, however at this growth occurs at its own pace. The country has some infrastructures and tourism products to attract and accommodate international tourists. During the interviews, participants stated that Angola's tourism is at an embryonic stage. This cannot be true because the researcher was able to observe and conclude that there are infrastructures in place to receive tourists and there are tourism products. The country has laws for the tourism sector, businesses operating in tourism, and small businesses. The country has a Tourism Director Master Plan strategy in place (c.f. Angola's National Tourism Director Plan, 2013).

This means that things are happening for Angola. However, a setback is the absence of funding to implement the existing plans, which is largely due to the macro-economic environment of the world. Regardless of the difficulties encountered by the sector, tourism contributes tremendously in employment creation as viewed on the statistical data (c.f. Angola Tourism Statistical Report, 2008-2015). For example, the development areas in the tourism plan have been taking place, such as the accessible road that connects Cabo Ledo to the Capital city, the Cabo Ledo tourist centre composed of accessibility for surfers, parking areas, Eco-resort, police station, beach bar, lifeguard station and public toilets. According to Angop (2017), the amount invested in the development of Cabo Ledo as a touristic attraction is 400 million US dollars. This development is needed to attract investment, and we can see that Angola is developing its sea, sand, and sun areas of tourism.

The development of cultural attractions in Luanda and M'Banza Congo is also under way, as stated in the tourism plan of Angola. Early this year a group of fifty-five tourists both foreign and national, as well as government officials from the ministries of Culture and Hotel and Tourism, went to visit the city of Mbanza Congo and its major touristic points (Angop, 2017). Someone talked about the visit to the researcher; however, since it was not included in the budget and planning of the fieldwork it was not possible for the researcher to participate in the visit. Additionally,

during the visit to MBanza Congo tourists visited the Museum of the Kings of Kongo, learned the history of the Kingdom of Kongo, and interacted with local cultural authorities.

According to Angop (2017), Benguela – the province that hosted the national gastronomic festival, is known for its gastronomy and beaches. Present at the event were ten provinces and thirty-five municipalities as participants. During the event, a representative from the Ministry of Hotels and Tourism stated that, “Besides knowing where to spend the night, tourists must also know where to eat” (Tourism representative, 2017). Therefore, it is possible to say that the phases of the tourism plan of Angola are in motion, along with the necessary strategies. The country sees itself as an emerging destination because it is developing policies to better structure the sector and it has policies to allow national and international investors to start their own businesses. According to the World Economic Forum (WEF,2017g:24), Angola is an emerging tourism destination, but is also seen as being particularly attractive, and between the years of 2016 and 2026 the country is expected to be among the top ten fastest growing destinations for leisure travel and spending in the world. This means that the world is aware of Angola’s tourism potential and that the country is organising itself internally in order to better receive and accommodate tourists.

Furthermore, the country shows visible growth in terms of infrastructure – there are malls and hypermarkets in almost every municipality or locality. The malls in Candando, Kero and Xyami are filled with international franchises like cafés, clothing stores, and restaurants. Therefore, the country is preparing itself to receive tourists by bringing foreign brands into the country. The partnership between government and the private sector, along with the host community, is vital for everything else to function properly (Gamge, 2014; Novelli & Morgan, 2012). This is important because Angola as a post-war country needs all the help it can acquire from foreign and national investors to better its competitiveness. Partnership is important because in the majority of cases the government does not have the necessary expertise and capital to serve the sector (Haddadi & Khodadadpoor, 2015). Therefore, partnership is needed because private sectors usually have the well-qualified expertise and are financially equipped to make investments. For this reason, Angola has turned to

qualified foreign nationals and other private entities to help the country acquire some type of knowledge in order to grow alongside other countries. For example, Angola has collaborated with TD Hotels, Accor Hotels, and GJC Hotels in efforts to build new infrastructure.

The 4 De Fevereiro International Airport of Angola has also been revamped to receive tourists. During their transit or wait for flights, tourists can now purchase Angolan souvenirs at curio shops, get a massage, eat and drink or just simply relax. These upgrades were made to accommodate tourists because the country recognises that tourists need to purchase memories and to relax while waiting for their flight. Once inside the Angolan Airlines, the service is wonderful. The staff members are very friendly and attentive. In the entertaining videos there is a section called Angolan Culture, which provides a Welcome to Angola section with basic information about the country and videos about touristic information. This means that tourists are able to learn about their host country, and possibly plan a trip to a specific tourist attraction, before landing. The country has also invested billions in the development of a new international airport to be able to receive a larger number of travellers in the future (Rombi, 2017).

As stated by Dwyer (2014), when we talk about tourism we talk about globalisation because tourism – just like globalisation – is multi-dimensional; all the sectors are linked from economics, agriculture and the environment. It creates jobs and movement of people; people share their experiences and are interested in learning new things, and the world becomes smaller. In other words, tourism is linked to globalisation because people and countries must adapt to the changing world environment. For this reason, Angola is slowly organising itself and slowly adapting to the international environment in order to create the competitiveness that the world awaits.

This contradicts what some participants have stated about Angola being disorganised, because Angola is neither disorganised nor organised; it is in progress. This will take time because, as stated by Dwyer (2014:198), “The effects of globalization and tourism differ by case and by context”. This means that each country differs in terms of resources, politics, and even socio-economic environment

(Brown *et al.*, 2011). For this reason, we cannot compare the tourism trajectory of a country, which has experienced destruction for more than 27 years and peace and stability for only 15 years, with those that are much older in terms of peace establishment. It would be an unfair comparison because it will take more than 15 years of peace and stability for Angola to be a strong brand within the international tourism market. Yet with only 15 years of peace, Angola is already developing and growing in its various sectors (Embassy of Angola Information Brochure, 2014; 2016).

### **7.2.2. Government's Encouragement for the establishment of Tourism SMEs in Angola.**

Although Angola has the Angola Invests and For Youth credit lines, which provide credit to every sector and SMEs, it did not have a credit line specifically for tourism SMEs until recently. In 2016, a memorandum of agreement was signed by the Ministry of Hotels and Tourism with Banco Sol, for a credit line created specifically for tourism SMEs in Angola. According to Angop (2016), this credit line allocated 20 million Kwanzas for micro enterprises, 150 million Kwanzas for small enterprises, and 500 million Kwanzas for medium enterprises. This credit line was created to help in the establishment and growth of more tourism SMEs in Angola, given that the government is prioritising the sector to diversify the country's economy, and recognises the potential of tourism to aid in the country's full development (Angola's National Tourism Director Plan, 2013).

This public and private partnership will strengthen the financial situation of SMEs within the sector. Once again, the government had to work with a private entity in order to provide resources for the people. This is because the government cannot operate alone, and Angola is not different from any other country in terms of public and private partnerships (c.f. Novelli & Morgan, 2012; Keyes, 2012; Sweeney, 2008). As a result, the government should observe the outcomes of this credit line in order to be able to create more credit lines devoted to the tourism sector of Angola in the future.

### **7.2.3. Visa Control**

Visa controls the inflow of tourists to a country for security reasons (Webster & Ivanov, 2016:5-9). This is to safeguard the country's best interests, but most importantly its citizens, because tourism also opens doors for people with negative intentions towards the country or a destination. Therefore, we have to understand why Angola takes such precautions before creating assumptions, because at the end of the day the government is willing to do its best to safeguard the peace and the welfare of the Angolan people. We also have to understand that if an incident occurs where those responsible for protecting the borders fail to take action, the people automatically blame the government for not protecting the country's peace and their safety.

As stated by Chew and Jahari (2014), images of conflict tarnish the destination and perception dominates a tourist's decision to travel. Perception is based on second-hand experience, news, brochures, and movies. Therefore, tourists should read more about the new Angola in order to renew their perceptions, and visit the country to see that its reality differs from what is placed in the media. Additionally, repeat visitors are the ones able to see that Angola has changed tremendously, especially if they began travelling there at an earlier stage after the establishment of peace. The presence of peace is fundamental for the development of the country as a whole, for tourism and other sectors, because hosts and tourists utilise it (c.f. Gössling *et.al.*, 2012). For the country to serve itself in terms of business, industrialisation, tourism, and more, it needs infrastructures to grow, to be productive, and to compete with other countries.

## **7.3. THE BUSINESS ENVIRONMENT**

### **7.3.1. Infrastructural Conditions**

The difficulties of availability and accessibility of water and electricity faced by SMEs in Luanda must be mitigated as soon as possible, because they need these resources to operate properly and to their fullest potential (Games, 2011). As

mentioned throughout this study the issue of infrastructure is present from chapter one until chapter three in the literature review, because infrastructure is one of the most important pillars that must be present for any country that wishes to develop and grow (Keskin *et al.*, 2010; Sweeney, 2008; Arnaud, 2016; Knežević *et al.*, 2015). Infrastructure is needed for the development of a tourism destination, as well as for the creation of a stable business environment and competition, as mentioned by Games (2011) and Cooper (2012). The reconstruction of infrastructure in post-war countries is hampered, as in the case of Angola, because the first priority of any post-war country is to establish security before development (Brown *et al.*, 2011; Knight, 2008).

In addition, tourists utilise a lot of water – sometimes more than the host community. As stated by Gössling *et al.* (2012:4), tourism is dependent on freshwater resources and the use of fresh water. Water is necessary for production, food, fuel, infrastructure, and landscape maintenance and is used in various forms throughout the tourism industry. Therefore, the availability and accessibility of water and energy is crucial because water is needed for energy production, and energy is needed for water production, pumping, transport, and treatment of water. The government recognises this need, and for this reason it has developed the investment programme for the electric and water sectors (c.f. Ministry of Energy and Water 2016). Water and electricity cannot be separated; the government must find options to make these two entities exist in harmony (Gössling *et al.* 2014). In other words, there must be water and electricity at business premises throughout the province and the country, not only water or only electricity. It will be a difficult task, since the country is still clearing the mines at some localities and working on re-construction, but it is possible. In the meantime, SMEs will have to compromise for now by purchasing and installing their own generators and water containers to stay in operation 24/7 because, while some areas have water and electricity, others only have electricity, and others only have water.

However, the case of Angola is changing because as discussed in chapter four, Angola has been investing in its infrastructure in order to change the situation of availability of water and electricity. Angola has invested billions in the construction of

Lauca dam, which is one of the largest in Africa, in order to supply power throughout the country (. Rombi, 2017) in addition to the Water for All programme, which provides for the availability of water to people in remote areas of the country ( The Investment Programme for the Electric and Water Sectors, 2016; Ministry of Energy and Waters, 2016).

### **7.3.2. Human Resource Quality**

The other important pillar of well-developed infrastructure is the development of well-qualified human capital (Novelli & Morgan, 2012; Keyes, 2012; Games, 2011). This is an issue that is well recognised by government officials from the Hotels and Tourism Ministry of Angola. As viewed in the participants' answers, there is the need for the country to have an increasing amount of well-qualified human capital, not only to serve the sector but for the country as a whole. The creation of well-trained and qualified human capital contributes to a national and international competitiveness and the establishment of an efficient private sector, which prevents investors from outsourcing (Games, 2011; Hussein and Kimuli , 2012). In post-war countries, human resources are affected because war creates a high number of incapacitated individuals and low educational levels as stated by Sweeney (2008). However, Angola is changing this reality by investing in education by building tertiary institutions to enforce its human capital.

For instance, the government is doing its part by creating laws, strategies and by offering internship to tourism students interested in serving the sector (c.f. Cooper, 2012; Nicolaidis, 2015).

During the research days at the Ministry of Hotels and Tourism, the researcher met several students from different institutions who were interns. One of their duties as interns was to spend time in every single department in order to learn about their different roles within the Ministry and the sector, as well as to attend a site visit to hotels and restaurants in order to see how they function and should function. This means that the government is actively investing in human resources, which is important because the country also recognises that one of its main weakness lies within the skills and quality of human resources. For this reason, the Ministry of

Education has designed a document for the reformation of education (Comissão de Acompanhamento das Acções da Reforma Educativa, 2010; Ministry of Education, 2010). The education reform started in 2004. Additionally, there are roads and buildings that are being built with joined partnerships, which demonstrates that the government recognises the important role of the private sector and that tourism is a private sector industry.

Policies and regulations is an issue that government should help to solve, because the government has the ability to create policies to regulate market and price irregularities. For example, in the case of Angola, business owners are upset because the market is unable to regulate itself. As a result, by re-evaluating the policies and regulations of the business environment, the government could help the market to create its own equilibrium prices and regulate itself. However, we have to understand that not every SME will be able to thrive in the new regulated environment, due to their different dynamics.

## **7.4. THE ROLE OF SMEs**

### **7.4.1. The importance of SMEs**

SMEs are part of the private sector. They are responsible for the growth of all sectors and are the job providers, the poverty alleviators, and community developers (Erasmus *et al.*, 2013; Ramukumba, 2014). A country cannot develop properly without the participation of the host community, therefore a two-way communication between the government and community is vital. They both must hear and respect each other's opinions because tourism does not develop with a "self-interest" mentality (Jamal & Stronza, 2009).

SMEs are employment creators and establishers of the tourism industry. Angola recognises their importance and for this reason the Ministry of Industry continues to do everything in its power to aid in the establishment of SMEs (Ministry of Industry, 2014). The SMEs in Luanda are contributing to the development and growth of the sector. They also create the multiplier effect and contribute highly to the development and growth of the country, as well as to poverty alleviation (Pansera &

Sarkar, 2016). As some participants mentioned, their role is “to sell destinations”, meaning that they transform available resources into products and services (Erasmus *et al.*,2013:10-11). Through employment, they strengthen the local economy and prevent locals from competing for employment elsewhere. SMEs are also able to serve different markets, such as travel agencies, restaurants and many more (Rogerson, 2008).

Furthermore, the government must understand that hosts want to see the visual and operational benefits of tourism in order to sustain the idea of coexisting with tourism. Therefore, educating the local community is key and is starting to happen in some provinces such as Luanda, Cabinda, Huambo, Zaire and others. As stated in the news, local authorities are encouraging locals to safeguard their environment and cultural heritage in terms of monuments, spaces and places, because they are proof of the origins of the province and of its people. They can benefit from these resources only if they know how to protect it. SMEs can also turn these resources into travel packages and much more. Additionally, we must understand that tourism SMEs in Angola are divided into formal and informal categories as stated earlier (Games, 2011; Sweeney, 2008). Some are formal because they are registered with the government and have licences from the Ministry of Hotels and Tourism to operate, and are also part of either AAVOTA or AHRA. Others are informal because they are mainly for survival, such as those of artisans and street vendors. However, both formal and informal businesses strive to provide for the same group of people known as tourists.

#### **7.4.2. Access to finance**

The difficulty of acquiring financial support by business owners is a reality for SMEs in both developed and developing countries. However, SMEs in developing and post-war countries have it worse due to their inefficient business environment (Games, 2011; Hussein and Kimuli , 2012). As viewed in the results, the proprietors of SMEs self-financed their own businesses, except for one who acquired credit to pay out a property. This is because, as the majority stated, the “politics behind acquiring a financial credit is a headache”. Therefore, they rather finance their own

businesses. Additionally, they are all directly or indirectly affected by the economic crisis, scarcity of products, and high prices. One aspect noted during the interviews was that the majority complained about the business environment not facilitating their growth, due to its price instabilities and politics. This is one of the issues recognised by the participants, which contributes to the low ranking of Angola in the World Tourism Index Rankings.

Moreover, the government should investigate the reasons for SME owners' hesitation to apply for credit, because Angola has credit lines that were created to help in the establishment of SMEs. For example, as mentioned in chapter four, Angola has the Angola Invests and For-Youth programmes, which provide credit to those interested in starting a business. In 2013, the country created a programme to finance SMEs with the objective to diversify the economy with the aim to reduce importation and start production at local and national and levels. The number of enterprises recorded by INAPEM at the national level within the sector of Hotels and Tourism is 515, of which 330 are micro, 95 are small and 90 are medium. In Luanda, there are a recorded 275 SMEs, of which 158 are micro, 56 small, and 61 are medium.

Furthermore, Peric and Vitezic (2015) state that the global economic crisis has many effects on the entrepreneurial sector throughout the world. It affects different types of firms in different sectors. Therefore, it is a complex issue in the macro and microenvironment, because the country responds to the external difficulties. Therefore, everything within the country is automatically affected; this is a problem not only faced by Angola, but by other countries as well. For this reason, there are the issues of inflation and the availability of products in the market, as stated by business owner one who "had two stores closed due to the economic crisis" and business owner 12 who stated that, "When they need a product, the price is too high, and when they have the funds, the product is not available". This means that every sector is affected either directly or indirectly by manufacturers, suppliers, to consumers. According to Boukas and Ziakas (2013:329-330), crises are part of globalization, and globalization intensifies competition. Ritchie (2004:670) states that "Globalization catalyses the growth of international tourism and exposes the sector

to international issues such as the economic world crisis". The country must be aware that, if it intends to serve the sector and compete with other countries, it will face the effects that come with being open to the world.

### **7.4.3. Training and Experience**

In retrospect, the majority of business owners saw the window of opportunity to start their business after working for someone else for a few years. Only business owner one had a background of entrepreneurial influence from family. This means that all the other business owners were inspired by their previous employers and had the spirit of entrepreneurship. Opportunity businesses are based on the opportunities spotted by the entrepreneur, where the entrepreneur has a steady income but risks their financial stability in order to better explore the window of opportunity (Nieman & Nieuwenhuizen, 2014:37:38). A very important aspect is that business owner one grew up surrounded by entrepreneurs, which automatically contributed to his entrepreneurship spirit and ambition (Nieman & Nieuwenhuizen, 2014:11-13). However, as indicated in the interviews, not all entrepreneurs have the same opportunities, with some only being able to acquire skills at a later stage of their lives. The least likely reason for entrepreneurs to start their own business seemed to be the necessity for survival. Overall, the topics discussed in this research fit well into the blueprint of Angola's 2013-2017 National Development Programme (Ministry of Planning and Territorial Development; Angola's 2013-2017 National Development).

## **7.5. STUDY LIMITATIONS AND RECOMMENDATION FOR FUTURE RESEARCH**

During the fieldwork, the researcher encountered limitations in terms of the sample size of business owners. As discussed earlier, some business owners were open to participate in the study, while others were not. Therefore, the researcher recommends that in future fieldwork undertaken in Angola (Luanda), the researcher should allocate at least three months to be able to collect enough data, and to have a larger number of participants. Another limitation experienced by the researcher

was the lack of availability on the part of business owners, which prolonged the days to collect data, and was thus time-consuming. Additionally, the unavailability of business owners caused the researcher to only gather data from a few travel agencies, restaurants, and boutiques. This research did not include the participation of souvenir vendors and others in the informal sector, due to the timeframe, which was a month.

Additionally, based on the research findings, it is recommended for a future study to be conducted based on SMEs throughout Angola, and their relationship with financing institutions, and the politics of the business environment. A study on this topic will likely help the country identify and solve the issues of credit acquirement from financial institutions, price irregularities within the market, and other issues related to the business environment, such as those of infrastructure and human resources. This will help the country to establish a healthy environment for the founding and growth of more SMEs along with a better communication channel between SMEs and government. As a result, there will be more employment, more development, more growth, and growth attracts tourists and therefore more tourism investments. This is bearing in mind that Angola's business tourism is thriving, and can be utilised to stimulate other types of tourism.

In other words, the key for the development of a post-war tourism destination could be in solving the issues within the business environment. That is where both governmental and private entities intersect, as well as other sectors within the country from agriculture to tourism. However, this can only be accomplished after the government establishes the basic needs and facilities for the country. The framework presented for this study provides an indication of the important components of the business environment that directly affect SMEs, as well as the specific areas of government influence and strategic focus that are important to create a conducive environment for SMEs in a post-war destination such as Angola.

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**Appendix A: LETTER OF CONSENT**

Division Tourism Management  
Department of Marketing Management

The development of Angola as a post-war destination: the role of small and medium  
enterprises in tourism in Luanda Province

Research conducted by:  
Miss. F. Jacinto (12160980)  
Cell: 0787748588

Dear Participant

You are invited to participate in an academic research study conducted by Formosa Jacinto, a Master student from the Department of Tourism Management at the University of Pretoria.

The purpose of the study is to investigate the development of Angola as a post-war tourism destination by determining the specific role that small and medium enterprises play in this process.

Please note the following:

- This is an anonymous study using interviews and your name will not appear on the interview schedule. The answers you give will be treated as strictly confidential as you cannot be identified in person based on the answers you give.
- Your participation in this study is very important to me. You may, however, choose not to participate and you may also stop participating at any time without any negative consequences.
- Please participate in the questionnaire by providing your answers as completely and honestly as possible. This should not take more than 30 minutes of your time.
- The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request.
- Please contact my study leader, Dr. E Du Preez, on tel. (012) 420 3957 (e-mail: [elizabeth.dupreez@up.ac.za](mailto:elizabeth.dupreez@up.ac.za)) if you have any questions or comments regarding the study.

Please sign the form to indicate that:

- You have read and understand the information provided above.
- You give your consent to participate in the study on a voluntary basis.

Participant's signature \_\_\_\_\_

Date \_\_\_\_\_

**Appendix B: DATA COLLECTION INSTRUMENT**

**Government officials**

## **Development of Angola as a post-war tourism destination: The role of small and medium enterprises in tourism in Luanda Province.**

**Interviewer:** Good Day Sir /Madam. Thank you for participating in this study. It will be of great assistance in my research. When you are comfortable, we may begin the interview. I am conducting a research study on The Development of Angola as a post-war tourism destination: The Role of Small, and Medium Enterprises in Luanda Province.

**Interviewer:** I am going to ask you a few of questions applicable to the study, and request that you answer as honestly as possible. This will take between 30-35 minutes to complete. May I be allowed to record this interview and take notes to record your answers?

**Interviewee:** (Gives appropriate reply.)

**Interviewer:** This research is strictly for academic purposes and remains anonymous. You have the right to refuse to answer any questions if you feel they offend or make you feel uncomfortable, and you may stop answering questions at any time during this interview if you wish to.

**Interviewer:** Before we start could you please read through and sign this consent form? It gives a brief explanation of what the study is about and explains that the study is strictly for academic purposes. It is also a declaration by you that you understand your participation in the study is voluntary.

**Interviewer:** Do you have any questions before we begin?

**Interviewee:** (Gives appropriate answer and if he/she has a question, the Interviewer will answer it as well as she can.)

The discussion will be guided along the following three themes:

- Angola after the civil war.
- Tourism Development in Angola.

- The Role of SMEs in Tourism Development

**A: Angola after the civil war.**

1. Do you think of Angola as an emerging tourism destination after the war?
2. What type of challenges do you think Angola continues to face after the establishment of peace?
3. Do you think that peace plays an important role in the development of Angola?
  - *Why?*

**B: Tourism development in Angola.**

4. What do you think is the image of Angola internationally?
  - *Why/why not?*
5. Do you regard Angola as a tourism destination?
  - *Why?*
  - *Is tourism-related development taking place? (Where, how)?*
6. Do you think tourism is a tool that assists in the development of Angola?
  - *Why/why not?*
  - *How/in which ways? (socio-economic, physical, etc.)*
7. Does Angola have the potential to compete with other destinations in the region of Sub-Saharan Africa?
  - *Why/why not?*
  - *For which markets?*
  - *Does the regional position benefit or disadvantage Angola?*
8. What role do you think the government plays in the further development of Angola as a tourism destination?
  - *What is the role? Why?*
  - *What is not their role? Why?*

### C. The Role of SMEs in Tourism Development

9. Do you think that small and medium businesses contribute to the development of tourism in Angola?

- *Why/why not?*
- *How?*
- What roles do you think small and medium businesses play in Luanda specifically to develop tourism?

10. Do you think that tourism is supported by various government departments/ Ministry?

- *Rehabilitation of Angola's infrastructure (attractions, hotels, airports, roads...etc.)? role of the airline? (doing a good job in terms of services to attract tourists to Angola? Why? How?)*

11. Do you think that there is enough skilled human capital within the hotel and tourism sector?

- *Why/why not?*

## **Appendix C: DATA COLLECTION INSTRUMENT**

**Business owners**

## **Development of Angola as a post-war tourism destination: The role of small and medium enterprises in tourism in Luanda Province.**

**Interviewer:** Good Day Sir /Madam. Thank you for participating in this study. It will be of great assistance in my research. When you are comfortable, we may begin the interview. I am conducting a research study on The Development of Angola as a post-war tourism destination: The Role of Small, and Medium Enterprises in Luanda Province.

**Interviewer:** I am going to ask you a few of questions applicable to the study, and request that you answer as honestly as possible. This will take between 30-35 minutes to complete. May I be allowed to record this interview and take notes to record your answers?

**Interviewee:** (Gives appropriate reply.)

**Interviewer:** This research is strictly for academic purposes and remains anonymous. You have the right to refuse to answer any questions if you feel they offend or make you feel uncomfortable, and you may stop answering questions at any time during this interview if you wish to.

**Interviewer:** Before we start could you please read through and sign this consent form? It gives a brief explanation of what the study is about and explains that the study is strictly for academic purposes. It is also a declaration by you that you understand your participation in the study is voluntary.

**Interviewer:** Do you have any questions before we begin?

**Interviewee:** (Gives appropriate answer and if he/she has a question, the Interviewer will answer it as well as she can.)

The discussion will be guided along the following three themes:

- Angola after the civil war
- Tourism Development in Angola

- The Role of SMEs in Tourism Development

### **A: Angola after the war**

1. What type of challenges do you think Angola continues to face after establishment of peace?
2. Do you think that peace plays an important role in the development of Angola?
  - *Why?*
3. How is the image of Angola internationally perceived?
  - *Why?*

### **B: Tourism development**

4. Is tourism a tool that will assist in the development of Angola?
5. Do you think that tourism contributes towards the socio-economic development of Angola?
  - *Why?*
6. Do you think that Angola is able to attract and accommodate international tourists?
  - *Scenic beauty, history and infrastructure etc? Why?*
  -
7. What type of difficulties do you think Angola faces in terms of tourism development?
  - *Why?*
8. What role do you think the government plays in the development of tourism?
  - *Why? (attractions, hotels, airports, roads...etc.)?*
9. Do you think that Angola is competitive enough to be among the world's top tourism destination? *Why?*

## C: The role of SMEs in tourism development

10. When did you decide to become a business owner and why?

11. How long have you been operating?

- *One?/ Two years? / Three Years? /More?*
- *Did you have any difficulties to start operating?*

12. How many employees do you have?

- *Is this enough?*
- *Do they have training?*
- *What problems do you experience with employees? (do they understand tourism / do they have a passion for the tourism industry?)*

13. Did you acquire any training in order to operate this business?

- *Why/why not?*
- *Where/ when?*

14. What role does your business play in the community?

- *What? Why?*
- *Employer?/ Educator?/*

15. Does your business benefit from tourism?

- *How?*

16. Do you consider your business to be part of the tourism industry (Luanda)?

- *Why? Why not?*

17. Do you think the development of tourism presents opportunity for the establishment of more businesses like yours?

- *Why/why not?*

18. What difficulties do you face as a business owner in the tourism industry?

19. How do you finance your business?

- *Why?*
- *Problems/difficulties with this method?*
- *Preferred alternative?*

20. Do you receive financial support from any government institution?