

Pitfalls of tourism development in Ethiopia: the case of Bahir Dar town and its surroundings

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Abstract The history of tourism is one of the neglected themes in Ethiopian history. In Ethiopia, the development of modern tourism as an important economic sector can be traced back to the imperial regime. This was when the Ethiopian Tourist Organization (ETO) was founded in 1961. From then until the overthrow of the regime in 1974, the development of tourism showed a remarkable and smooth upward trend, as measured by the arrival of tourists. However, shortly after the military government assumed power in 1974, the growth of tourism was subject to adverse political and socioeconomic crises. The sector experienced a downward trend, with the number of annual tourist visits steadily decreasing from 50,220 to 28,984 at the national level. However, the seizure of power by a new government in 1991 brought about an environment relatively conducive to the growth of tourism with the adoption of a free market, relative stability, and infrastructure development. This paper sheds light on the history of tourism and its challenges in the context of the political, economic, and ideological shifts through three consecutive political regimes in Ethiopia: the imperial, Derg, and EPRDF. Information was collected from primary sources through interviews and focus group discussions with tourists, experts, hotel managers, and tour guides. Published and unpublished government reports were also consulted.

Keywords Tourism · History · Challenges · Bahir Dar · Ethiopia

Introduction

Tourism has become one of the fastest growing industries in the world, and there has been wide acknowledgement of its benefits, such as job creation, foreign exchange earnings, and economic growth (UNWTO 2008, cited in Abel 2012; Seddighi et al. 2008). The sector has

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becoming highly promising as the number of tourists is expected to increase significantly (Meseret 2011). Between 1950 and 1995, the flow of international tourists increased 20-fold. 922 million arrivals and USD 944 billion in receipts were recorded worldwide in 2008. The same is true in Africa, where the arrival of international tourists showed remarkable growth from 500,000 in 1950 to 24 million in 2000 (Youell 1998).

Ethiopia, located in the Horn of Africa, has long enjoyed international prominence as being home to varied natural, historical, and cultural attractions. Ten locations have been registered by UNESCO. Between 1964 and 2008, the number of tourist visits in Ethiopia increased from 19,836 to 383,399. In one 10-year period, from 1963 to 1973, there was an approximately four-fold increase and the industry grew at an average annual rate of 12 %. However, the sector registered a devastating decline from 1974–1991, attributed to both economic and political crises. The coming of the Ethiopian People's Revolutionary Democratic Front (EPRDF) to power in 1991 brought about a relative increase in the arrival of tourists from 81,581 in 1991 to 139,000 in 1997, due to relative political stability and market liberalization, though the outbreak of the Ethio-Eritrean war in 1998 seriously hampered the growth of tourism (Meseret 2011). During this war, tourist flows into Ethiopia dropped by 112,000 in 1998 and 115,000 in 1999. However, after the end of the war, tourist flows increased dramatically. From 2000–2008, the sector registered 15.4 % average annual growth and the country earned USD 167 million (Meseret 2011; Yabibal 2010; Amogne 2014; Ministry of Culture and Tourism 2009). However, the country only registered 0.5 % of total international tourist arrivals in Africa in 2002 and 0.7 % of total tourist arrivals among the 17 countries of the East African Region (Meseret 2011).

Ethiopia's tourism industry has experienced a number of inter-related challenges. The outbreak of war, political unrest, famine, unfavorable economic policies and poor infrastructure development have been among the major factors hindering the growth of tourism in Ethiopia. Despite this, only a small, but growing, number of scholars (Gebre 2011; Yabibal 2010; Chrstian 2012; Gebeyaw 2011; Yechale 2011; Yemane 2011; Kumar 2012) across different disciplines have documented tourism in Ethiopia from a historical perspective. With few exceptions (Getachew 2007; Ayalew 2009), little emphasis has been given to the incorporation of historical concepts, facts, and evidence in tourism history that would be an opportunity to compare tourism development over time. The history of tourism remains relatively unexplored, and within this context, there has not been adequate research done on how the tourism growth is affected by political instability, drought and famine, and unfavorable economic policy, in the framework of the changing political regimes.

This study therefore poses three important questions: (1) Did such factors affect tourism development in Bahir Dar and its surroundings differently than elsewhere in the country? (2) How could such factors be responsible for the downward trend of tourism in certain exceptional periods of the three regimes, in particular 1973–1974, 1974–1991, and 1998–2000? (3) Do such factors affect tourism development in the same way throughout the three successive regimes?

This paper attempts to fill the gap in the literature by making a simple historical reconstruction of arrivals and receipts across periods, in order to provide insight for policy makers in developing appropriate tourism policies that will meet the demands of both domestic and international markets. In light of this, the next section presents a brief overview of change and continuity across the three consecutive governments in the development of tourism along with the major factors that seriously hampered the tourism industry in Ethiopia, and more specifically in Bahir Dar town and its surroundings.

Methodology

The research was carried out in Bahir Dar town and its surroundings, located in the northwestern parts of Ethiopia. A qualitative method of study was employed. This method provides an opportunity to understand tourism development throughout the three successive regimes in a wider context and allows the interview subjects the chance to express their views and experiences without interruption. To obtain the necessary data, both primary and secondary sources were used. Primary data were collected from interviews and focus group discussions. A variety of participants, including elderly residents, local and foreign tourists, tourism experts, hotel managers, members of local communities, and tourism bureau officials were purposely selected and interviewed. In order to get detailed information about the issue, open-ended questions were prepared, focusing on the experiences, challenges, and related issues of tourism in the period under question. To substantiate the data, secondary sources were consulted, including government reports, policy documents, published, and unpublished historical sources. The data were analyzed textually using descriptions and quotations and represented in tables and charts.

Tourism development and its challenges

The imperial era (1930–1974)

Tourism in a broader sense has existed since ancient times, though it did not receive considerable attention in the development strategy of Ethiopia prior to the 1960s (Ayalew 2009). Despite opposition from the noble classes and a few educated elites, who regarded tourism as a way of exposing the country's poverty and backwardness to the international community, Emperor Haile Sellasie (1930–1974) provided legal support for the development of the tourism sector since the second half of the twentieth century. Sooner, the Ethiopian Tourist Organization (ETO) was founded by Order No. 36 in 1964. It was initially under the supervision of the prime minister, but in 1966 was transferred to the Ministry of Information, and then in 1969 to the Ministry of Commerce. This was a landmark in the attempt to develop modern tourism as an important sector of economic growth. The ETO was given the responsibility of offering tour and travel services to foreign tourists, government envoys, and diplomats, and official recognition was made further visible by the establishment of branch offices in Ethiopia and abroad (Gebre 2011; Yabibal 2010; Getachew 2007; Ayalew 2009). Consequently, the government resorted towards collecting funds from the World Bank, International Finance Corporation (IFC), and the International Development Agency (IDA) (Gebre 2011; Getachew 2007; Ayalew 2009). Some international consulting companies and individuals, such as C. Angeline and S. Moudine from UNESCO, the Italian Tourism Consultancy Firm (IANUS), and Arthur D. Little Ltd. of Britain, were also asked to study the feasibility of Ethiopia's tourist potential. In its feasibility study, titled "Proposals for the development of sites and monuments in Ethiopia as a contribution to the growth of tourism," UNESCO recommended the potential of historical sites in northern Ethiopia for tourism development. In 1965, IANUS identified major potential areas of tourism; namely, Addis Ababa, Lake Tana, Massawa and the Dahlak Islands, Harar, Diredwa, and Arba Minchi (Angeli 1969; Ethiopian Tourism Commission 1992; Getachew 2007; Ayalew 2009).

Three years later, Addis Ababa, the Historic Route (Bahir Dar, Gondar, Semen Mountains National Park, Lalibela, Aksum), and the Rift Valley were recommended by Arthur D. Little Ltd. as important potential areas of tourism. The building of large and standardized hotels at these tourist attraction sites was envisaged by the consultant groups. This offered the government an opportunity to build five hotels—Wabe Shebelle Hotel (1968), D’Afrique Hotel (1966), Blue Nile Hotel (1968), Ethiopia Hotel (1963), and Hilton Hotel (five star, 1969) (Getachew 2007; Ayalew 2009)—despite that all five hotels were located in the capital city of Addis Ababa and dominated by privately owned foreign companies (Getachew 2007). The involvement of foreign companies to initiate and manage tourism and hospitality facilities was a result of the lack of skills and the financial constraints that the government was experiencing (Getachew 2007). One can thus argue that the major reforms undertaken by the Ethiopian government would have been impossible without external assistance.

This historical episode was followed by an increase in the number of tourist arrivals from 19,215 in 1963 to 73,662 in 1973, growing approximately four-fold within 10 years (Yabibal 2010; Getahun 2004), as depicted in Fig. 1. The country collected an estimated 25,655,000 Ethiopian birr from international tourists in 1973 (Ayalew 2009). The largest number of international tourists in this period came from Europe, followed by America; these two together accounted for 67 % of the total international tourist arrivals. Visitors from Africa formed the third largest group (Fikirite 2011; Ayalew 2009).

Such growth could be linked to the achievements of the government and the selection of Addis Ababa as headquarters of the United Nations Economic Commission for Africa (UNECA) in 1958, and the Organization for African Union (OAU) in 1963; the country in turn received considerable attention from an increasing number of Western diplomats, envoys, members of NGOs, and leisure seekers (Getachew 2007). Other historical factors that should be given consideration as being influential in the emergence of modern tourism in the 1960s were modernization schemes such as the development of the Addis Ababa–Djibouti railway, telephone networks, post offices, and modern roads, and the building of hotels (Taytu Hotel in 1907), as well as Ethiopia’s victory over the fascist Italian troops at

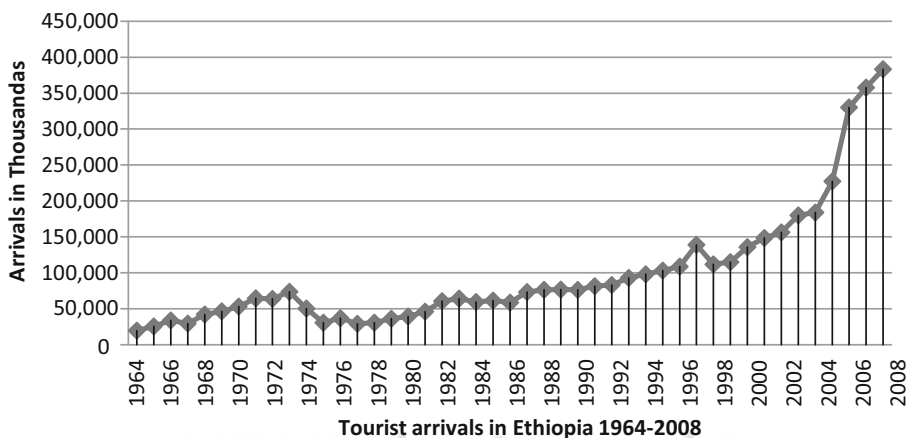


Fig. 1 Tourist arrivals in Ethiopia 1962–2008 *Source* Tourism statistic bulletin 2005, No: 8; ETC, Tourism statistical bulletin, no. 7, 2003

the battle of Adowa during the reign of Emperor Menelik II (r.1889–1913) (Bezabih 1985; Ayalew 2009; Getachew 2007).

Among the Ethiopian tourist attraction centers, the Lake Tana area-particularly Bahir Dar, the capital city of the Amhara region, and its surroundings received considerable attention from the central government, due to its proximity to the Historic Route. Lake Tana is the largest freshwater lake in Ethiopia at 3,673 km² (Getenet 2004). The Blue Nile River along with its falls, contributes 86 % of its water to the main Nile, is also one of the main attractions of the Bahir Dar area.

Bahir Dar is best remembered for its large number of islands and monasteries (Bureau of Bahir Dar Town Central and Tourism 2011). The monasteries were built by the kings of Ethiopia during the medieval period, and later became the most important religious and political center of the country. Politically, the Lake Tana Island monasteries played a significant role when the country experienced internal and external crises. The Christian Ethiopian kings used the monasteries as a place to hide their treasures and as a place of refuge, starting from the reign of Amda-Tsion (1314–1344) until the late nineteenth century (Gizachew 2013; Abbink 2003).

The Ethiopian kings also used the monasteries as a place to pray for the triumph of their military campaigns (Chrstian 2012). In these churches and monasteries, the bodies of some medieval Ethiopian kings, including Emperor Dawit I (1382–1411), Emperor Zera Yacob (1434–1468), Emperor Susnyos (1607–1632), and Emperor Fasildes (1632–1687), are buried. It is also believed that the Ark of the Covenant was kept in the Island Monasteries of Lake Tana for over 800 years, until it was taken by king Ezana (a powerful Aksumite King in the fourth century), to Aksum. These ancient monasteries and churches also housed wall paintings, crosses, crowns, and clothes of kings from ages past (Tafesse 1987; Belete 2000; Negash 2000; Amhara National Regional State Bureau of Culture and Tourism 2006). It is, therefore, that the ancient buildings became a tourist attraction.

Bahir Dar's proximity to locations along the "Historic Route," increased the importance of the town as a tourist center of northwestern Ethiopia. It was evident that in the Second Five-Year Plan (1962–1967), the national government recognized the Lake Tana and Blue Nile areas as important sites for the country's tourism development. The plan saw tourism as an "important way of increasing foreign exchange earnings and in widening the options of employment opportunities through expansion of major towns and tourist centers, restoring historical monuments, wildlife conservation, and the provision of tourist facilities wherever necessary (Ayalew 2009). To materialize this dream, the government introduced air and land transportation from Asmara (Eritrea) to Addis Ababa and to Bahir Dar. Bridges, boats, recreational centers, hotels (such as Ghion, Araga, Kahsay, and Abay Minch), tourism offices, and travel agencies were established, followed by the rebuilding of old churches and monasteries (Fikirite 2011). Such internal developments laid the foundation for the growth of tourism and for the later growth of petty trading, such as crafts, pottery making, and basketry.

However, the smooth flow of tourist arrivals and the revenue it generated in Ethiopia appears to have significantly declined after 1973. This was mainly attributed to the outbreak of famine and change of government in the last years of the imperial regime. Ethiopia has a long history of famine, which has resulted in massive numbers of deaths and migration and has been a factor in altering the course of history itself. The 1973–74 famine, the most serious epidemic of the twentieth century, affected almost three million Ethiopians, and the death toll reached approximately 250,000 (Alexander 2009; Ashok 1997). This epidemic cast a gloomy pall on the country's image, it now being considered a country of famine and poverty. The famine was responsible for the political turmoil

throughout the country that immediately followed. It facilitated a series of revolutions against the regime, which were precipitated by the massive Ethiopian student movement of the 1960s, and eventually became the immediate cause for the downfall and final collapse of the imperial regime. Ondicho (2000) has argued that political violence can be short lived, but the long-term implications for tourism may last for years. Political instability detrimentally affects the confidence of tourists and potential investors. Due to the outbreak of frequent revolutions against the regime, the government was unable to restore the tourism sector to its previous splendor. This problem was compounded by the limited number of hospitality facilities, underdevelopment of international air transport, and disregarding of domestic companies and potential individual investors, along with the absence of any tourism policy and strategy. The situation was worsened by the occupation of the regime palace by the junta in a creeping coup in 1974. Despite these challenges, however, this era was still relevant in the development of tourism in Ethiopia, though it was in its infancy.

The Derg period (1974–1991)

Soon after the overthrow of the imperial regime in 1974, a military group called the Coordinating Committee of the Armed Forces, Police, and Territorial Army (known as the Derg)-seized power. Recognizing the importance of tourism for the country's economy, the new government made efforts to enhance the sector. In its economic policy, the government underscored its intention of promoting the tourism sector as follows:

This sector of the economy will continue to receive the government's attention, and foreign visitors will always be accorded the traditional Ethiopian hospitality. It should, however, be emphasized that the conservation of wild life, etc. particularly of the rare species, and the preservation of antiquities will be viewed primarily as national objectives in their own right. This task of preservation will be given or actively pursued by the government.... The hitherto neglected domestic tourism will be given any encouragement so that Ethiopians may have the opportunity of enjoying the attractions of their own country and thereby developing pride in their natural and cultural heritage. (Ayalew 2009).

The regime was certainly keen to see the growth of both domestic and international tourism. Subsequently, “አገርህን እውቅ ከቡብአገርህን እውቅ ከቡብ” (Discover Your Country Club) as part of an attempt to promote local tourism. All civil servants were strongly encouraged to relax and enjoy the unique beauty of their own country and were provided the opportunity to visit Ethiopian tourist attractions once a year (Ayalew 2009; Fikirite 2011). Equally pertinent was the government's encouragement of workers, children, and ordinary people to enjoy with their families recreational centers at affordable prices. Spending two days in various tourist attraction sites in their homeland had already become an engrained habit among workers, evolving from the tradition of celebrating weekends. In this period, domestic tourism was given particular emphasis and marked the government's full entry into the sector. This was a decisive shift away from the imperial regime, which targeted domestic tourism at upper class citizens-members of the royal family, higher officials, rich aristocrats, and foreign residents, while ordinary workers and citizens remained significantly under-represented. The new government's emphasis on the sector increased domestic tourist flows from 16,560 in 1974 to 31,019 in 1986.

There are three assumptions regarding the purpose of promoting domestic tourism in the period under discussion: (1) to increase the unity of various ethnic groups of the country,

(2) to undermine the power of the previous aristocracies or noble classes (Ayalew 2009; Getachew 2007), and, (3) the government's inclination to follow the example of socialist countries, where domestic tourism was part and parcel of the sector.

The government's role in promoting both domestic and international tourism did not last long, however, due to some inter-related factors. As will become evident in the next section, tourism development in this period was increasingly challenged by war, strained political and diplomatic relations with the Western world, new political and economic reforms, restriction on free entry of tourists, drought and famine, and government change. All these factors are equally important and interdependent, and one cannot distinguish the effects of any one factor in explaining the downward trend of tourist arrivals in Ethiopia (Fig. 2; Table 1).

The first indication of impending crisis occurred when the country's tourism industry, which was just beginning to boom, showed signs of collapsing after the military junta drastically altered economic and tourism policies, nationalizing private and foreign companies, banks, foreign travel agencies, insurance companies, and tourist facilities, including hotels. Privately owned hotels in Bahir Dar such as Ghion and Wanzaye were nationalized under the supervision of the Ethiopian Hotel and Tourism Commission. The Tana Marine Transport Enterprise in Bahir Dar became the only government organization that provided transportation facilities for tourists (Fikirite 2011). The government viewed nationalization as the way of reducing unnecessary profits by foreign companies and bureaucrats. While this tactic is often seen as a positive measure for tourism, in this case, it became a barrier to further development. Tourists were forced to stay in government-owned hotels, which were neither standardized nor well managed. Tourist facilities remained inadequate, accommodation shortages became more acute, and quality deteriorated. Private investors were highly discouraged. Yabibal (2010) has observed that nationalization of private industries (including foreign companies) could drastically reduce the number of business travelers. Due to this, tourism in Ethiopia suffered devastating consequences.

The military government's discriminatory policy toward the countries that were the largest sources of international tourists and its restrictions on entry and free movement of

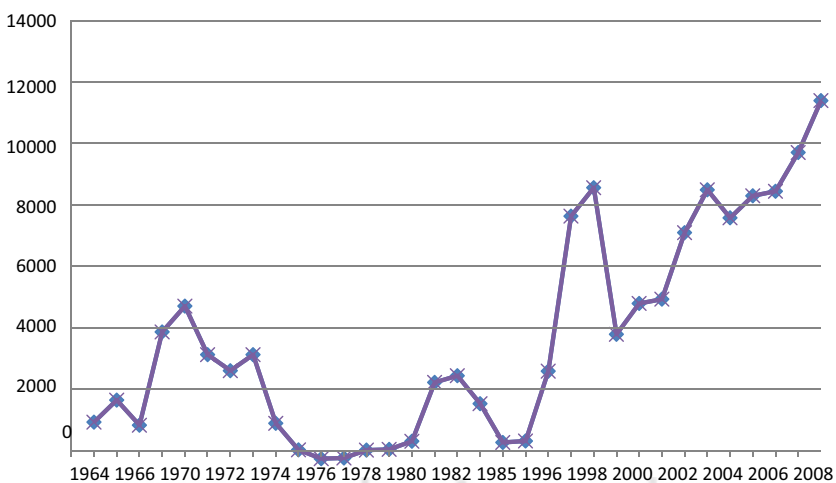


Fig. 2 Tourist arrivals in Bahir Dar and its surroundings 1964–2011. Source Socioeconomic plan department 1977, as cited in Fikirite (2011)

Table 1 International tourist arrivals in Ethiopia by country of origin 1961–1973. *Source* Ethiopian Tourism Commission, Statistical Bulletin 1987, cited in (Ayalew 2009)

Origin of tourists	1963	1964	1965	1966	1967	1968	1969	1970	1973
Europe	7346	9537	11,482	13,564	10,666	21,227	23,200	22,200	32,000
America	4426	4371	8209	8872	5222	10,077	11,200	11,000	18,100
Africa	3953	2856	2643	4653	1517	3900	3900	4500	11,800
Others	3490	2722	3278	6607	3116	2500	2900	3200	6400
Total	19,215	19,836	25,412	33,696	20,521	37,704	41,200	40,900	68,300

tourists also severely curtailed interest in visiting the country (Economic Commission for Africa 1968; World Bank 2006; Ayalew 2009). International tourists were suspected as enemies and spies, believed to be working to strengthen imperialism. Tourists were also seen as a political threat to the regime's power. However, this rationale was intentionally developed to avoid capitalist intervention in the country's ideology, as demonstrated by the proclamation in May 1975 of the Leninist Ideology as the most important philosophy of the country. The government's policy of hostility toward the Western world was seen when Americans, the second largest visitor in Ethiopia next to Europe, were forced to leave the country in 1977. The bilateral relationship between the two countries as it is reported, was dealt a blow, observed. America accordingly withdrew from Ethiopia, closing the United States Information Service (USIS), the Military Advisory and Assistant Group (MAAG), the Peace Corps, and the United States Agency for International Development (USAID), and strengthened its alliance with Somalia.

Westerners were also apprehensive about the government's strategy of non-alignment. The Derg regime's association with socialist countries was a source of headache for the Western world. It was widely perceived by the Ethiopian nobles and few educated elites that the Derg's policy of non-alignment with the Western powers would be a danger for Ethiopia, though the radical shifts in ideology paved the way for new areas of co-operation with the new allies, but many potential tourists, particularly from the west, were forced to cancel their bookings in favor of alternative destinations in Africa. The number of international tourists from Western Europe and North America showed a sharp decline from 32,000 to 9000 in 1973 and from 18,000 to 3000 in 1977 (Ayalew 2009). All of these factors greatly impeded the country's tourism competitiveness.

The other factor contributing to the decline of tourism during the reign of the military government was war and political instability. From the advent of military power in 1974 until 1991, there was increasing civil contention and political instability as various political groups attempted to overthrow the regime. The government was increasingly involved in external and internal wars with liberation fronts in Tigray and Eritrea as well as the Ethiopian Peoples' Revolutionary Party (EPRP), Ethiopian Democratic Union (EDU), Oromo Liberation Front (OLF), along with the Ethio-Somalia war of 1977–1978 (Economic Commission for Africa 1968; Ayalew 2009). The government also resorted to frequent and intermittent physical confrontations with political contenders. The situation worsened with the declaration of red terror in major towns of the country in 1977. During this period, Ethiopia entered a new phase of chaos and political disorder. Many of those who were suspected of supporting rebel groups were imprisoned, killed; others fled to neighboring countries. The government committed a great number of civilian abuses and

actions leading to devastating instability. The civil wars with the rebel groups lasted for over 17 years, during which peaceful compromise was never considered. The government never hesitated to take action against contenders who might weaken the power of the regime. There was a general breakdown of law and order in the country.

These intermittent wars, I posit, led to the destruction of the tourism infrastructure, since the civil war was centered in the major cities. Moreover, during periods of intense armed conflict, the Ethiopian government abandoned leisure activities, instead investing its time and resources in the war effort, giving little emphasis to infrastructure development, including tourist facilities. As a result, tourism did not recover immediately after the war. The long-term implications of political instability could no longer be ignored.

On the other hand, political disorder, civil war, and famine have always been accompanied by the frequent and instant dissemination of the news in western media, leading to travel warnings and cancelation of trips by international tourists. Due to security concerns, tourists might be forced to abandon their intention of visiting tourist attractions and instead choose to travel to countries where they can enjoy a safe, relaxing vacation and business. Thus, tourism would only recover when the negative image of a country could be supplanted by a more favorable image. Yap and Saha (2013) have noted that politically unstable countries constantly encounter challenges such as the withdrawal of foreign investment and a negative public image. In sum, “political stability is an essential prerequisite for attracting international tourists to a destination and a fundamental pre-condition to the successful establishment, growth, and survival of a tourist industry. The impacts and devastating effects of political instability on tourism are something that no tourism policy-maker can afford to ignore” (Seddighi et al. 2008).

Political instability, therefore, “can cause irreparable damage to the image of a given area as a tourist destination” (Bloom 1999). A study conducted in Kenya shows that the 1990s civil unrest and the subsequent media coverage it received both locally and internationally had a profound impact on Kenya’s tourism industry. “Unstable environment due to politics discourages several potential tourists from coming to Kenya. Violent protests, civil war, the perceived violation of human rights, or even the mere threat of these activities, will cause tourists to cancel their vacations” (Noel 2009). The 1998 bombing of the U.S. embassy in Dar es Salaam in Tanzania shattered the country’s international image as a safe and stable destination. The industry was seriously affected when the U.S. State Department warned Americans against traveling to East Africa. The economy of Tanzania experienced various adverse shocks following the cancelation of bookings (Noel 2009).

In Ethiopia also, war and instability hampered the growth of tourism. The flow of tourists steadily dropped from 1267 in 1974 to 141 in 1977 in Bahir Dar and its surroundings. Nationally, it showed a serious decline from 50,220 in 1974 to 28,984 in 1977, and a fall in tourism-generated income from 22.2 million birr in 1974 to 3.3 million birr in 1978. However, after 1979, the tourism sector recovered due to the relative stability that prevailed in the country. Somalian forces had begun to wreak fatalities in the Ethiopian armed forces by 1978. The rebel groups faced a shattering defeat. In 1979, the government took this opportunity to establish the Ethiopian Tourism Commission (ETC), supervised by the council of ministers, with Proclamation No. 182, 1980. The main purpose of the ETC was

To develop and promote tourism at home and abroad by means of building and expanding accommodation and recreational facilities, to establish and supervise organizations in the business of providing tourist facilities, issue licenses to persons or organizations engaged in the provision of tourist facilities, publicize the tourist

attractions of the country, establish administer, expand and control training center for personnel to be engaged in tourist facilities, and prepare and disseminate information concerning tourists (Ayalew 2009).

This was followed by the invitation of foreign consultants such as the Ethiopia-Kenya Regional Development Program in 1980, Swiss consulting firm Thyssen Rhinstah Technic in 1983, and the Soviet Team of Scientists in 1985. The building of hotels, recreational centers, and tourism offices was suggested. Among others, the Tana Hotel was built in 1982 in Bahir Dar (Ayalew 2009; Fikirite 2011). This development attracted large numbers of international tourists, with annual visits increasing from 36,400 in 1979 to 64,240 in 1988.

However, the promising increase in tourism was interrupted by the outbreak of the 1984–85 famine and the years of post-famine austerity. As after the outbreak of the 1973–74 famine, during the “Marxist-Leninist” Derg regime, an estimated 7.8 million Ethiopians were starved to death with food shortages, out of which excess mortality was estimated at 700,000 (Alexander 2009). Mismanagement, corruption, and general hostility to the Derg’s brutal rule, together with the draining effects of intermittent wars with the nationalist guerilla movements brought about a drastic fall in the general productivity of food and cash crops (Stefan and Catherine 2014). The country appeared frequently in a negative light in the international media (National Metrological Agency 1996; Sue et al. 2009), which ensured unprecedented international hatred for what was taking place in Ethiopia, even though the support from the “Live Aid Concert” saved the lives of millions (Stefan and Catherine 2010). Without aid from the international community, the country would undoubtedly been in dire economic crisis. However, 7 million potential famine victims were saved. Tourist flows would have been seriously affected if a large number of international humanitarian assistance groups, including journalists and higher officials, had not come to Ethiopia.

The famine had a crippling effect on the country’s economy, and the tourism sector was disproportionately affected. Major emphasis was given to post-famine rehabilitation and reconstruction, and the expansion of tourist facilities was forcibly suspended. The problem was aggravated by the poor quality of the road networks, bridges, airports, and railways; a shortage of electric power and standardized hotels and lodges; poor telecommunication services; and other problems. The building of bridges had been abandoned in some major areas of the country as a strategy to prevent the potential movement of rebellious armies that might consider challenging the regime’s authority. The famine and its associated consequences, such as the outbreak of disease and fear of disease, was the major cause of lack of interest among tourists. This resulted in a decline in tourist arrivals from 1911 in 1983 to 647 in 1985 in Bahir Dar town and its surroundings, and a similar trend at the national level, declining from 64,240 in 1983 to 59,522 in 1984 (Ayalew 2009). In the period 1974–1984, tourism declined at an annual rate of 2.1 %.

The last years of the Derg regime saw a serious blow to the government. The socialist bloc countries drastically reduced aid to Ethiopia. No longer able to rely on its former allies for military and other economic assistance, the government experienced serious economic hardships, which was a serious blow to the junta. The country’s isolation from the outside world meant there was no hope of foreign assistance, particularly from the Western world. To curb further decline and prevent the tourism sector’s downward trend, and realizing that its economic policy was a failure, the government seems to have been aware of the necessity to introduce new reforms. One of the decrees issued in the period (though it was never successful) was a declaration of a mixed economy. Under Proclamation No. 9/1990,

the government provided land to private investors to build hotels and tourist facilities (Ayalew 2009).

The rebellion against the regime became more severe from year to year. The increasingly posed question was whether the government could provide an environment conducive to the growth of tourism while the country was engulfed with political chaos, disorder, and declining interest on the part of both capitalist and socialist countries. The fear of an unknown environment racked by intermittent economic as well as political crises posed a serious obstacle to foreign travel to Ethiopia in this period. The regime's loss of power in a bloody war in 1991 rendered fruitless the long-awaited plan of making Ethiopia one of the major tourism destinations in Africa. This had a devastating impact on tourism-related subsectors, such as handicrafts, car rental, and boating, which in turn affected lives and livelihoods in local communities. Tourism in this period is largely seen as a missed opportunity.

EPRDF (since 1991)

The struggle for power between the Derg and the Ethiopian Peoples Republic Democratic Front (EPRDF) reached its peak in 1991, when the Derg was forced to abandon power. The transition period was not a convenient time for the growth of the tourism sector. The period saw the destruction of parks (built by the Derg) as a reflection of community antagonism to the old regime. The community who settled around parks cleared forests and parks, converting them to agricultural land and settlements (Getachew 2007). However, in the years immediately following the transition period, some policy measures were taken, though the recovery of economic losses took longer. Of particular significance was the declaration of a new economic policy under Proclamation No. 15/1992. This policy measure made the radical shift from command economy to free market, which intensified private investment in the country. The establishment of private banks and insurance companies, the building of new hotels, and the establishment of tour operators, travel agencies, and boat hiring organizations became part and parcel of the policy (Ayalew 2009; Gebre 2011). Such tourist accommodations became the focal point of commerce, business, and administration in the country.

In a closely linked development, the Ethiopian Tourism Commission (established by the Derg) was strengthened, to be in charge of tourism investment initiatives and supervising the establishment and operation of tourism and hospitality facilities; this commission later became the Ministry of Culture and Tourism. Its main objective was to

Initiate the country's tourism policies and laws; publicize the country's resources of tourist attractions to tourists; encourage the development of tourist facilities; license and supervision of the establishment of tourist facilities ... set the standards for the establishments of tourist facilities; collect, compile, and disseminate information of the country; give assistance and advice to regional governments with matters relating to tourism; undertake studies with a view to enhancing the development of tourism in the country and establishing as many training institutions that is necessary (Ayalew 2009).

One development that drew considerable attention was the implementation of decentralization policy, which provided each regional government an opportunity to develop the tourism potential of its area. Independent tourism offices in each region were established under Proclamation No. 41/1993 (Gebre 2011; Getachew 2007). This departure from previous policy was probably underpinned by an increasing awareness by the central

government that tourism brought in foreign revenue and supported the country's economy. In addition, the country's relative stability, free market economy, and free entry to foreigners despite differences in ideology, religion, and race boosted the international tourism market. The increase in levels of disposable income in the West, improvement in international flight, and expansion of tourist facilities, including the introduction of airplanes in large numbers, could no longer be ignored. This led to an unprecedented rise in the number of international tourist arrivals from roughly 20,000 in 1997 to over 52,000 in 2011 in Bahir Dar and its surroundings, and from 81,581 in 1991 to 139,000 in 1997 at the national level.

Seen in historical perspective, Ethiopia's tourism industry in this period was challenged by war. The unresolved border dispute with neighboring Eritrea between 1998–2000 constitutes the major external threat to security and stability in Ethiopia. It was only in 2000 that the two countries reached a cold peace. The war was aggravated by subsequent drought and famine. Due to the diversion of the country's resources toward maintaining the country's sovereignty from external aggression and to rehabilitation activities, the government was unable to undertake any effective development efforts. Huge sums of money were invested in the war, which meant that the promotion of tourism was almost nonexistent. In addition, as in times past, media coverage of Ethiopia's struggles influenced the perception of international tourists. The first sharp decline was seen in 1998–1999, when international tourist arrivals dropped steadily from 139,000 in 1997 to 112,000 in 1998 at the national level and from 24,711 in 1998 to 12,176 in 1999 in Bahir Dar and its surroundings (Yabibal 2010; Fikirite 2011).

However, in relative terms, Bahir Dar's tourist flows in 1998–2000 surpassed the rate of the country's tourist arrivals, even though the overall numbers remained insufficient at the national level. This was because the war was centered along the Ethio-Eritrean border, in the very north of Ethiopia, causing many tourists to head for the northwestern region, a relatively safe location. In 2000, the restoration of peace and order in the country was followed by a decline in Bahir Dar's share of total international tourist arrivals, due to tourists' preference to visit other areas (Getenet 2004). Of the 324,664 tourists that visited the country in the years 2000–2008, only 38,484 (12 %) visited Bahir Dar and its surroundings, but they nonetheless made the region the third-most visited tourist destination in Ethiopia, after Lalibela and Gondar (Ministry of Culture and Tourism 2009).

After the war, the tourism industry recovered. The government obtained assistance from the World Bank and IMF, which offered the government an opportunity to strengthen its efforts to develop the socioeconomic sector. It was the most promising route out of economic deprivation. This laid the foundation for the postwar expansion of tourist travel and the unprecedented rise in the number of tourist arrivals in Ethiopia from 135,954 in 2000 to 148,386 in 2001, an increase of almost 10 %. In addition, it led to a rise in the number of tourists visiting Bahir Dar and its surroundings from 18,021 to 22,121, a 23 % increase. This unforeseen wave of incoming visitors in the postwar period took the national government by surprise. Such a quick economic and political postwar recovery built a favorable international image. It also led to an increasing number of national and international companies seeking to invest in the country's tourism industry and other development efforts. In this postwar period, the tourism industry managed to secure an even and relatively steady flow of both domestic and international tourists, relative to the two previous regimes. Yabibal (2010) noted that airport efficiency and the strong security and growth of Ethiopian Air Lines (as one of the best airlines in Africa) also contributed greatly to the growth of the tourism sector.

However, there are still some challenges affecting tourism development in Ethiopia. Interviews conducted for this study clearly show that infrastructure and accommodation problems are generally recognized as the challenges of tourism development.

Conclusion

The history of modern tourism in Ethiopia can be traced back to the 1960s with the development of the Ethiopian Tourist Organization. However, Ethiopia's tourism industry has passed through a number of inter-related challenges, such as political instability, drought and famine, a command economy, restriction of movement, and nationalization of private investments. Ethiopia is a classic example of a case where endemic war and famine created a bad image among the international community, which adversely affected tourist flows. With the advent of a military government to power, it became unsafe for a foreigner to visit. Tourism in this period was so slow that it took over a decade after the fall of the military regime for the number of annual tourist visits to return to previous highs.

However, the end of military power in 1991 brought about an environment relatively conducive to political stability and market liberalization, which attracted a large number of business, conference, and vacation tourists. Historical events also had a negative impact on Bahir Dar's tourism growth. However, the number of tourist arrivals was relatively higher than the national rate during the Ethio-Eritrean war of 1998–2000, because Bahir Dar and its surroundings were some distance from the war zone and thus relatively safe. In the present day, Bahir Dar town and its surroundings has become a hub of tourist attractions, where large numbers of tourists enjoy a safe and pleasant vacation.

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