# The Impact of Tourism on Socio-Economic Development in Busua in the Western Region of Ghana



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## Preface

This paper has been a real challenge to write and I hope it proves equally challenging to its readers. The year that I have spend writing this thesis has become a highly valued experience.

I would like to thank my supervisor, Ragnhild Overå who has been very supportive throughout the project and for good advices during the writing process.

I would also like to thank my respondents without whom this work would have been impossible. I am also grateful to professionals working with the tourism industry in Ghana who responded to my queries with much information and advice: The Ministry of Tourism and Diaspora Relations and Mr Gabriel Tandoh, The Ghana Tourist Board and Mr Michael K. Kpingbi, Research and Cooperation and Mr George Owusu, The Netherlands Development Organization and Mr Kofi Torpey, The Ahanta West District Assembly and The Institute of Statistical, Social and Economic Research.

I would further like to acknowledge my dearest family and friends who have always believed in what I do and supported me throughout the process of my study. I will not attempt to name everyone for the fear of leaving some names out. I wish however to direct a special thank to Emmanuel Babatunde for his support, patience, moral support, valuable comments and finally for sharing some of my Ghanaian adventure.

I am responsible for all errors that may be found in this thesis.

Bergen, May 2009

Agnieszka Barbara Dylewska

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## List of Abbreviations

**BBR Busua Beach Resort CBTE** Community Based Tourism Enterprises CIA Central Intelligence Agency DA District Assembly DANIDA Danish International Development Agency **GBH** Golden Beach Hotels **GDP** Gross Domestic Product GH¢ Ghanaian Cedi GTB Ghana Tourist Board IFAD International Fund for Agricultural Development ISSER Institute of Statistical, Social and Economic Research JSS Junior secondary School KVIP Kumasi Ventilated Improved Pits LDC's Less Developed Countries NGO Non-governmental Organization RC Research and Cooperation **RQ** Research Question SAPs Structural Adjustment Programmes SL Sustainable Livelihoods SNV Netherlands Development Organization SS Senior Secondary School SSNIT Social Security and National Insurance Trust TG Tour guides TTDC Town Tourism Development Committees **UNDP** United Nations Development Programme U.S. United States WTO World Tourism Organization

### **CHAPTER ONE:** Introduction

### **1.1 Background**

Tourism is considered to be one of the world's largest industries and it represents an integral and important element of wider economic and social development policy in many countries. Sharpley (2002, p.15) wrote that the fundamental justification for establishing tourism is its potential contribution to development as being an important source of foreign exchange earnings, and an effective or even major source of income and employment, especially to local communities. For many developing countries with a limited industrial sector, few natural resources and dependence on international aid, tourism is often the only option. According to World Tourism Organization (WTO, 2008) tourism can also contribute to poverty alleviation. By its labour intensive nature tourism supports employment opportunities, and is relevant for the remote rural areas with large population numbers. Tourism is also said to be one of the major export sectors of developing countries, and is the primary source of foreign exchange earnings in 46 of the 49 Least Developed Countries (LDC's) Since the 1970's many developing nations, such as Mexico, Kenya, Costa Rica, Thailand, South Africa and China, have integrated tourism into their economic development planning policies (Lepp, 2004).

According to the WTO (2008), the continued growth and diversification of tourism activity in the past six decades makes it a remarkable economic and social phenomenon. Tourism has become one of the largest and fastest growing economic sectors in the world and it is a key driver for socio-economic progress. For many developing countries tourism is one of the main income sources and the number one export category that creates employment and opportunities for development. The average worldwide annual growth rate of international tourist arrivals is estimated at 4% a year between 1995 and 2007. From 1950 to 2007 international tourist arrivals grew from 25 million to 903 million (Figure 1) and were up by 6.6% on 2006. In 1950 the top 15 destinations absorbed 98% of all international tourist arrivals, and this fell to 57% in 2007 which reflects the emergence of new destinations, many of them in developing countries. For example, the international tourist arrivals to Thailand grew by 20% between 2005 and 2006 (Official Website for Tourism in Thailand, 2009) and by 14.4 % between 2006 and 2007 in Costa Rica (Tourism Highlights, 2008).

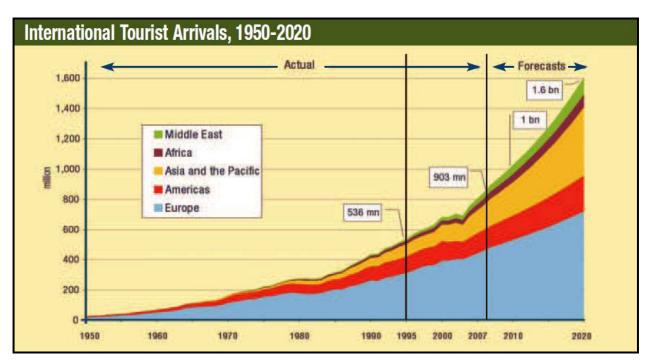


Figure 1 International Tourist Arrivals (Source: Tourism Highlights, 2008)

In Africa, the international tourist arrivals increased by 7% from 2006 to estimated 44 million arrivals in 2007 (Figure 2). The best performing countries in 2007 were South Africa, Morocco, Tunisia and Algeria. The highest percentage of change in tourist arrivals between 2006 and 2007 were recorded in Angola - 60%, Uganda – 19% and Zambia with 18%. Despite the current uncertainties in the global economy, which might affect the growth of tourism industry, the international tourist arrivals are expected to reach 1 billion by 2010 (Tourism Highlights, 2008).

However, the benefits of economic development as a result of tourism hardly ever come without various costs. There are a number of common problems that have been linked to Third World tourism which call into question its usefulness as an element of development strategies. Some of the problems identified by Brohman (1996) are foreign domination with large multinational companies, dependency creation, socioeconomic and spatial polarization, environmental destruction, cultural alienation, loss of social control and identity among host communities. In this study I will address some of these important issues.

Major destinations Series <sup>1</sup>			International Tourist Arrivals					International Tourism Receipts			
			(1000)		Chai	nge (%)	Share (%)	(US\$ million)			Share (%)
		2005	2006	2007*	06/05	07*/06	2007*	2005	2006	2007*	2007*
Africa		37,260	41,369	44,430	11.0	7.4	100	21,820	24,602	28,292	100
Algeria	VF	1,443	1,638	1,743	13.5	6.4	3.9	184	215	1.647	147
Angola	TF	210	121	194	-42.2	59.8	0.4	88	75	144	
Botswana	TF	1,675	. 044		04			562	537	546	1.9
Cape Verde	TF	198	242	267	22.2	10.4	0.6	127	228	344	1.2
Ethiopia	TF	227	290	303	27.7	4.3	0.7	168	162	177	0.6
Ghana	TF	429	497		16.0			836	861	0.0000	***
Kenya	TF	1,536	1,644		7.0			579	688	909	3.2
Lesotho	VF	304	357	300	17.6	-15.9	0.7	31	36		
Madagascar	TF	277	312	344	12.4	10.4	0.8	183	159	176	0.6
Malawi	TF	438	638	714	45.8	11.9	1.6	24	24	(342)	1441
Mali	TF	143	153	164	6.9	7.4	0.4	148	175	347	
Mauritius	TF	761	788	907	3.6	15.1	2.0	871	1,007	1,299	4.6
Morocco	TF	5,843	6,558	7,408	12.2	12.9	16.7	4,621	5,967	7,264	25.7
Namibia	TF	778	833	12	7.1			348	384	434	1.5
Reunion	TF	409	279	381	-31.8	36.5	0.9	442	309	446	1.6
Senegal	TF	769	866		12.6			242	250		
Seychelles	TF	129	141	161	9.3	14.7	0.4	192	228	285	1.0
South Africa	TF	7,369	8,396	9,090	13.9	8.3	20.5	7,327	7,875	8,418	29.8
Sudan	TF	246	328		33.5		**	252	262	0.9	
Swaziland	THS	839	873	870	4.1	-0.4	2.0	78	74		1441
Tanzania	TF	590	628	692	6.4	10.2	1.6	824	950	1,037	3.7
Tunisia	TF	6,378	6,550	6,762	2.7	3.2	15.2	2,143	2,275	2,555	9.0
Uganda	TF	468	539	642	15.1	19.2	1.4	380	309	356	1.3
Zambia	TF	669	757	897	13.2	18.5	2.0	98	110		
Zimbabwe	VF	1,559	2,287		46.7			99	338		

Figure 2 International tourist arrivals to Africa (Source: Tourism Highlights, 2008)

### 1.2 Characteristics of tourism industry in Ghana

"The coast of Ghana which is about 350 miles long was found to form the most prosperous potential for tourism development. Some of the most beautiful beaches in West Africa, and in the continent as a whole were found, with soft white sand, picturesque bays and lagoons surrounded by tall coconut trees...the existence of many interesting historical castles along the coast has further emphasized the coastal area as the most suitable for development. The second main element in the tourist development is the national park. ...Ghana seems to have more and better possibilities than other West African countries for developing a number of game reserves (Teye, 1988, p.336).

The development of tourism in Ghana is not a new phenomenon. The first initiatives within tourism development were undertaken in the pre-independence and the immediate post independence era, up to the early 1966. These initiatives were characterized by the expansion

of hotel capacity to accommodate foreign guests invited to the celebration of Ghana's independence in 1957. The efforts to develop tourism during this period were also seen as a part of broader global phenomenon that have seen tourism as a potential vehicle for economic development in the Third World. In the 1970's most of the tourism developments were conducted by the government and included mostly construction of some very large hotels throughout the country. These tourist developments were supported by the high earnings from cocoa exports (Gartner, 1999, p.160).

The second phase of tourism development, between 1972 and 1978, is characterized by a large number of tourism- related studies on various aspects of Ghana's tourist industry. The most important study was Ghana's Tourism Master Plan. It aimed at guiding tourism planning between 1975 and 1990. It was the first national 15 year tourism development strategy prepared by the Danish International Development Agency (DANIDA) and the Government of Ghana. However, according to Teye (1988), despite the magnitude of tourist resources, the above strategies were never successfully implemented due to a number of political and economic problems and the development of tourism has been hindered by a fast growing population, lack of tourist infrastructure, inefficient transport network, poor planning and a series of military coups from independence through to 1981(Teye, 1988; Konadu-Agyemang 2001).

Since 1981 the political stability and international policy guidelines have had a positive impact on many sectors of the Ghanaian economy including tourism. And eventually, since mid 1980s, tourism gained importance in the economic development planning process for Ghana and has become one of the leading sources of foreign exchange (Konadu-Agyemang, 2001, p.189).

In 1983 Ghana started implementing the Structural Adjustment Programmes (SAPs). SAPs were designed to free the economy from state controls and market distortions, and also to introduce liberalized private sector led trade and investment regime. SAPs also aimed at starting export led economic growth strategy and restructuring the public sector of the economy. According to Konadu-Agyemang (2001, p.192), SAPs helped in transforming tourism into a top foreign exchange earner and thus in diversifying the Ghanaian economy. During the SAPs foreign investments and aid were allowed to boost the tourism industry. Despite many negative impacts of SAPs on the quality of life and well being of Ghanaians,

the economic restructuring seemed to yield positive results at least for the tourist industry. SAPs introduced currency devaluation, which was supposed to discourage imports and encourage exports, did not have positive impacts because of the lack of domestic substitutes for the imported items. One of the results was that Ghana has become a cheap destination for international tourism (ibid, p.194). SAPs induced foreign investment into Ghana Airways and the introduction of several international airlines also increased accessibility and boosted tourist flows. Since1985, international tourist arrivals has increased from 85.000 to more than 480.000 in 2002. The majority of these travellers were leisure tourists including those that visit friends and relatives (SNV, 2005). However, the political stability has encouraged more foreign investments, which were also welcomed by SAPs, and therefore in 1997 approximately 48 percent of all the tourists that arrived in Ghana were there for business reasons.

Until 1993 tourism was only an addition to the Ministry of Trade, and therefore, in order to underline its commitment to tourism development, the government established the Ministry of Tourism and Modernization of the Capital City, which later changed name to the Ministry of Tourism and Diaspora Relations. Tourist arrivals and expenditures were steadily increasing and numerous tourism development activities and investments were observed within both the private and public sector. In order to develop the tourist sector into a leading socio- economic sector in the country a national long-term development strategy called "vision 2020" was developed in 1995 with assistance from the United Nations Development Programme (UNDP) and the WTO. The planning and development strategy which aims at guiding the tourism industry covers the period between 1996 and 2010. The tourism policy goal for Ghana is "to develop tourism as a leading socio-economic sector of the country and a good quality, internationally competitive tourist destination, within the framework of maintaining its permanent sustainability" (UNDP/WTO, 1995, p. 44).

Tourism in Ghana today is an important source of foreign exchange, but also it is seen as a potential vehicle to reduce socio-economic imbalances between the regions. Only a few regions in Ghana have mineral resources or friendly climatic conditions for production of foreign exchange earner such as cocoa or timber. Already in the colonial times the northern territories of Ghana, the periphery regions (Konadu- Agyemang, 2001, p.197), suffered a severe form of underdevelopment. The lack of mineral resources, infrastructure and the harsh climatic conditions caused the lack of interest from the colonial powers and migration of

labour to the richly endowed regions in the south, the core. The core areas in the south, which could contribute resources for exploitation and export to the colonial 'mother' countries, were receiving most of the development projects. The projects aimed at the development of the socio-economic infrastructure in the form of schools, hospitals, harbours, railways and roads. At the same time the resource poor northern areas that were of no economic benefit were left without any meaningful social and economic development (ibid). This socio-economic colonial system produced inequalities between the productive coastal and forest belt in the south and non-productive savannah belt in the north, which exist up to today.

In the view of these inequalities tourism was suggested to have the possibility to serve as an equalizer of disparities between the south and north (ibid). Tourist attractions are allocated quite constantly throughout the country and this can provide an opportunity for economic development in the north based on the numerous natural, historic and cultural resources. However, until recently the government did not prioritize the development of basic tourist infrastructure such as transportation, water and electricity facilities and without these the private investors are not willing to invest into tourist facilities like hotels and restaurants in the north. Without the improvement of the basic tourist infrastructure tourism in Ghana will not be able to reduce the socio-economic disproportions between the core south and peripheral north.

Similarly, disparities also exist between the core areas in the south, such as big cities like Accra, Cape Coast, Elmina, or Takoradi, where the necessary tourist infrastructure is put in place to serve the needs of many tourist, while the rural areas that actually posses many of the tourist attractions are left without any infrastructural improvement.

Despite the shortcomings of the description above of tourism in Ghana, the country has an important position in the African continent within the field of tourism. The industry is an important source for foreign exchange in the country, being fourth just behind gold, cocoa and remittances from Ghanaian residents abroad (Ghana Homepage, 2009). As I mentioned before the tourist arrivals into the country are steadily increasing. In 1995 the recorded figures for international tourist arrivals was 286,600 and it increased to 583,821 in 2004, registering 104,1 % increase at the average annual growth rate of 8 % during the period (Ghana Statistical Service, 2009). The two major groups of travellers are leisure tourist, including Ghanaians staying abroad and business travellers (Figure 3).

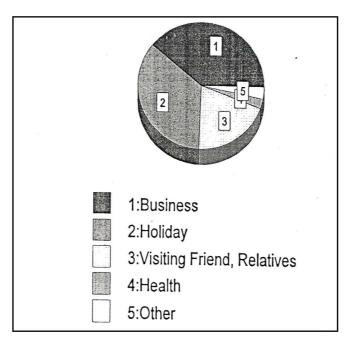


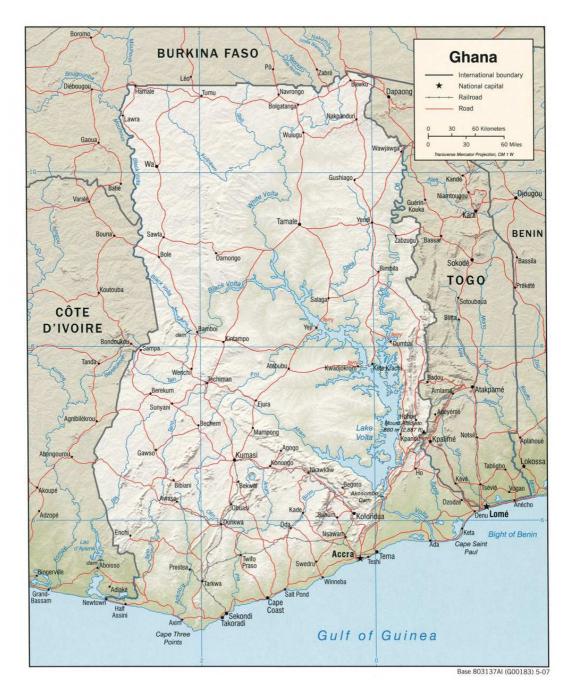
Figure 3 Travel motivation-purpose of visit of International Tourists (Source: SNV, 2005)

Both the interregional tourism (other African countries) as well as the overseas tourism is important sources of tourists' flows. The countries that generate most tourists in Ghana are the United States, the United Kingdom, Germany, France, the Netherlands, Canada, Switzerland, Scandinavia, Italy, Ivory Coast, Nigeria, Togo, Burkina Faso, Mali, Liberia and overseas Ghanaians (SNV, 2005, p.32). Ghana possess several tourist attractions such as one of the first forest canopy walkways in the world, which is located in the Kakum National Park, the oldest and most important Slave Castles in West Africa and the largest man made lake, the Volta Lake. Still, the most extraordinary asset of the country seems to be its people, their traditions and their hospitality (ibid, p.30; Gartner, 1999, p. 170).

### 1.3 Ghana – the contextual background

Ghana (see Map 1) is located in the centre of the West African coast. The total area of the country is approximately 239.000 square kilometres (CIA World Factbook, 2008). Ghana shares land borders with Ivory Coast on the west, Burkina Faso to the north and Togo on the east. On the south are the Gulf of Guinea and the Atlantic Ocean.

Ghana was the first Sub-Saharan African nation to gain independence from the United Kingdom in 1957. Before then Ghana was a British colony known as the Gold Coast (Konadu-Agyemang, 2000). The present name 'Ghana' reflects the ancient Empire of Ghana that in the past extended throughout much of Western Africa (Ghana Homepage, 2009).



Map 1 Ghana (Source: World Atlas)

Ghana is generally a flat country and consists mostly of low plains. The highest elevation, Mount Afadjato, rises only to 880 metres above the sea level (CIA World Factbook, 2008). Ghana has five distinct geographical regions. Low Plains stretching across the southern part of the country and are surrounded to their north by the Ashanti Uplands, the Akwapim-Togo Ranges and the Volta Basin. The north and the north-western parts of the country are occupied by the fifth region, the High Plains. The coastline is mostly low sandy shore intersected by several rivers and streams. The world's largest artificial lake, Lake Volta extends throughout the large proportions of eastern Ghana (Buah, 1980, p.1-2).

Ghana has a warm humid tropical climate with the annual temperature between 21 and 32°C. In the northernmost part of the country there are two distinct seasons that occur: the harmattan season with dry, hot days and cool nights from November to late March or April which is followed by a wet period with its peak in late August or September. In the southern part of the country there are four separate seasons that occur. The heavy rainfall season from April to late June is followed by short dry period in August. In September another rainy season begins and lasts during November before the long Harmattan season starts to complete the cycle (ibid).

The main industries in the country are agriculture, mining, petroleum, manufacturing and tourism. Agriculture employs more than a half of the population on both formal and informal basis. The basic agricultural crops are yams, grains, cocoa, oil palms, kola nuts and timber (Ghana Homepage, 2009). The economy of Ghana depends largely on the export of cocoa and gold. Other natural resources present in the country are silver, salt, bauxite, limestone, manganese, timber, industrial diamonds, fish, rubber and petroleum. Tourism in Ghana has become one of the major foreign income earners and the emphasis has been placed on its further development.

The population of Ghana estimated in 2008 was approximately 23 million people (CIA World Factbook, 2008). The main ethnic groups in Ghana are distinguished largely by language. The biggest group is the Akan constituting approximately half of the population, followed by the Ga-Adangbe, the Ewe, the Mole-Dagbani and many other smaller language groups. There are over fifty languages and dialects spoken in Ghana (Buah, 1980, p.3).

Ghana's political system today is a constitutional democracy. However, in the past the country has had various political institutions. In the pre-colonial period Ghana as we know it today was comprised of many states and kingdoms that were independent of each other (ibid, p.51). The next phase in Ghana's history was the period before independence when the various states where incorporated under the British imperial system. The third phase was the regaining of independence from colonial rule in 1957 when a new era in the history of Ghana started. At this stage Ghana got its first democratically elected Prime Minister and parliament, but was still subject to the British monarchy. However, in 1960 Ghana broke allegiance to the

British monarchy and became a Republic with its first President. In 1966 the country's political fortunes turned when a military junta deposed the democratically elected government, ushering years of mostly military rules. From 1992, however, a new era, heralding political stability started. This new found political stability has survived up to today culminating in the election in December 2008 of the 3<sup>rd</sup> President of the 4<sup>th</sup> Republic.

The country, with its capital in Accra, is divided into ten administrative regions that are again divided into 110 districts, each with its own District Assembly. Under the districts there are various councils such as area or city councils. The decentralisation of the country's government, that was meant to encourage local autonomy and participation in order to achieve grater efficiency and in development planning started in 1988. According to the law the local government, the district assemblies in particular are responsible for overall development of the district. The district capitals, small towns that are defined as settlements with population between 5.000 and 50.000 people, are the focal points for the socio-economic development of the districts (Owusu, 2005, p.60). According to Owusu (2005, p.63) the basic goal of decentralization in Ghana is "to enhance living standards in rural settlements through the promotion of agriculture, the stimulation of non-farm employment, enhanced accessibility to social services and reduced migration to small towns". Since some of these issues are related to the development of tourism industry in rural districts of Ghana, they will therefore be investigated in this study.

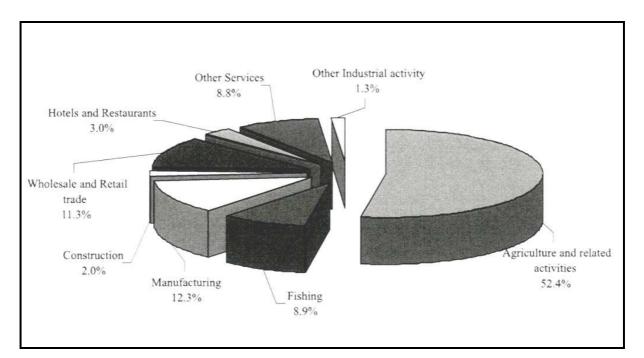
### 1.3.1 The Ahanta West District

The study area, Busua is located in the Ahanta West District (see Map 2) in the Western Region of Ghana which is basically a rural district. It covers an area of approximately 600 square kilometres with 123 settlements and the district capital in Agona Nkwanta (ISSER, 2007, p.11). The district is easily accessible taking into consideration the closeness of the regional capital, Sekondi-Takoradi, and the Trans-African highway that passes through it.

The district is located in the wettest region of Ghana within South-Western equatorial climatic zone characterized by a double maximum rainfall. The rainfall pattern is seasonal as within the rest of the country and the highest rainfall is between April and July. As a consequence of that, most of the farming activities take place within this period. The soil types in the district vary from loose sand to clay and are most appropriate for crops such as oil palm, rubber, cocoa, coffee, citrus, maize, vegetables, coconut, sugar cane, rice, legumes and other food

crops (ibid, p.32). The district is located in high rain forest vegetation zone but human activities such as farming, mining and charcoal burning have reduced it to a secondary forest. These activities also increased soil degradation and worsening of soil fertility in the district.

About 40 percent (ibid, p.12) of the land under cultivation in the district is occupied by large scale plantations, National Oil Palm Plantation, Ghana Rubber Estates Limited and some individual owned plantations. Another 30 percent of the district's land is occupied by small scale farming and 20 percent by forest settlements, wastelands, roads and water. The main economic activities in the district are agriculture and related activities such as hunting or forestry and fishing. The economic activities of the population in the Ahanta West District are presented by industry in the Figure 4. The remaining 10 percent of the districts land area is occupied by the Cape Three Points Forest Reserve which is composed of only primary vegetation. The coastline is characterized by capes, bays and a sandy nature which has been a magnet for the development of several beach resorts along the coastline.



**Figure 4 Economically active populations in Ahanta West District by industry** (source: ISSER, 2007, p.32)

The total population of the district estimated in 2007 (ibid, p.14) is approximately 115 thousand people. About 80 percent of the population lives in rural settlements making Ahanta

West a rural district. The dominant population group is Ahanta, followed by Fanti, Nzema, Wassa and others.

There is about 200 kilometres of roads in the district, from which 80 kilometres are trunk roads and the remaining 120 are feeder roads (ibid, p.18). The overall conditions of the roads in the district are good. Especially, the trunk road that is a part of Trans African highway is completely tarred. Facilities such as telecommunications and electricity are accessible to most of the communities in the district. However, the number of other facilities such as post offices and financial institution is not adequate for this population number. There are only three post offices in two urban and one rural settlement, and there is only one rural bank with three branches in urban localities (ibid, p.19). This socio-economic infrastructure and institutions are critical in facilitating economic activity in households and therefore essential for the development. In addition the access to safe drinking water and sanitation is another factor influencing the status of the population. In 2003 more than 50 percent of the population in Ahanta West obtained drinking water from boreholes, 14 percent from wells and 10 percent from rivers or lakes (ibid, p.21).

According to the Ahanta West District Human Development Report (ibid, p.38) the unemployment rate in the district has been increasing since the year 2000 from 9 percent in 2003 to 14 percent in 2007. The main reason for the increasing unemployment rates is the lack of job opportunities in the district.

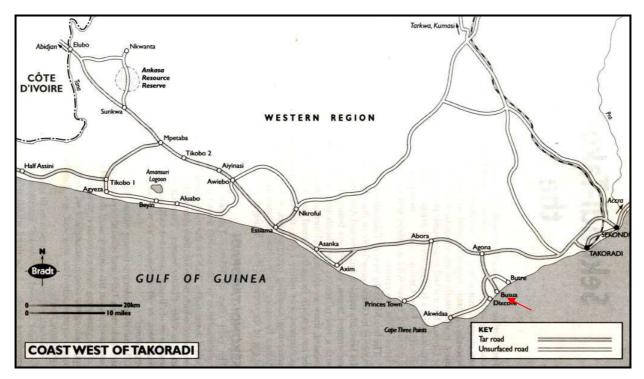
Poverty in Ghana is associated mainly with food crop farmers and therefore the high poverty rates are related to the rural areas. Since the economic activities in the Ahanta West District are based on fishing and farming, making the district a primarily a rural district. There is therefore a clear link to the national poverty situation. According to the Ahanta West Human Development Report (ibid, p.41-43) the poverty levels in the district are marginally lower than the national level and the report suggests that the poverty levels are higher among rural households than their urban counterparts. The urban households are more endowed with basic utilities and have better access to socio economic infrastructure. From 2003 to 2007 therefore the gap between the poor in the urban areas and the rural areas widened.

In recent years there has been interest in tourism as an instrument for the development of the district. It seems that the district possess the basic socio-economic infrastructure which is

needed for the development of tourist activities, such as roads, electricity, access to safe drinking water in most of the district areas. Since Ahanta West is primarily a rural district tourism can be a way to diversify the vulnerable economic activity which is agriculture. The employment opportunities that the tourism industry creates could reduce the increasing unemployment rates in the district and create new wage/job opportunities for the rural population. This in turn may reduce the poverty levels in the district and decrease the wealth gap between the rural and the urban localities.

### 1.3.2 Busua

Busua lies approximately 20 kilometres east of Takoradi. It is a small fishing village that lies on one of the most beautiful beaches in Ghana. It is also regarded as one of the safest place in the country. Since 1960's Busua recorded a steady arrival of tourists, backpackers at the beginnings, and more upmarket tourists with the development of many lodgings and restaurants (Briggs, 2004). In the Map 2 the area of the district where Busua lies is presented. The map is derived from a tourist guide book, typically used by backpackers. The red arrow points to where Busua is.



Map 2 The coastline, Western Region in Ghana (source: Briggs, 2004, pp. 180)

According to a local assembly member, the population number in Busua in the summer of 2008 was 952 people. The community members are occupied mainly with the agricultural

activities for their daily subsistence. In addition, there are other economic activities taking place that are a part of the daily livelihoods of the whole community. The only transport from the village to the nearest town, Agona Nkwanta, is supplied by the shared taxies or a daily Metro Buss Service once a day. So there are actually many male community members that drive taxies. There are several small shops that sell basic household items such as eggs, biscuits, tea and so on. At the main junction in Busua where all the taxis take off to Agona one might buy something small to eat, like roasted maize or plantain during lunch time. You can also find a shoe maker, tailors and the local cinema in the village where people meet to watch movies brought by the owner from the market in Agona Nkwanta. These are shown during lunch time or in the evenings. Moreover, there are several restaurants, bars and hotels that serve the hospitality industry. Busua will be described in more detail in chapter four.

### **1.4 Purpose of investigation**

This thesis will investigate the socio-economic impacts that tourism industry has on the rural communities in Ghana in general and specifically in Busua in the Western Region of Ghana.

In recent years tourism has been applied as a strategy for achieving economic growth in many developing economies. On a national scale tourism often proves to be successful in creating growth income, but the investigation of its implications on issues such as poverty alleviation and local development are necessary. Akama et al. (2007, p.735) wrote that "*a lot of attention has been given to the effects that tourism has on the economic aspects of sustainable development, especially on the national scale, but little has been given to the analysis of the implications of tourism on specific local communities and on the industry's impact on the quality of life and on socio-ecological aspects of communities that are directly affected by the tourism industry, particularly in developing countries".* 

Over the past years, many rural communities in developing countries have been stagnating due to economic decline and the lack of growth generating activities. Many rural dwellers move to urban centers in search of other economic activities, often leading to overpopulation and chaos in the cities. The situation is not different in Ghana. Despite the fact that the last decade brought higher economic growth in Ghana (World Bank, 2008), and the poverty rate decreased from 51.7 percent in 1990 to 33.4 percent in 2005, the poverty situation among the rural population, especially in the north is still a problem and migration from the poor rural

areas to the cities is a reality. About 70 percent of the poor people in Ghana (IFAD, 2008) live in the rural areas. My argument is that the emergence of an economic activity, such as tourism, could stem the rural-urban movement and generate growth activities in the rural communities. Busua is a rural community and therefore I think that the involvement of the local population in the tourism activities could create the necessary cash income, or it could diversify the income for those that have it from agricultural activities.

A number of studies highlight the importance of tourism as one of the world's largest industries and that it represents an integral and important element of wider economic and social development policy in many countries. For many developing countries due to the variety of natural resources tourism is often the only option out of the limited industrial sector and dependence on international aid. However, very often potential costs of tourism for the destination communities have not been recognized. Poverty reduction and improvement of the quality of life of local people is not only about the income and job satisfaction, where tourism generally has positive impacts. To be able to improve the lives of the world's poor; a wide range of other impacts on the local community level is needed such as the empowerment of the community members, their involvement in the decision making process, improvements in their local infrastructure and the like.

Personal experience with Ghana has contributed to my interest in the theme. In the spring of 2006 I participated in a six months exchange program to the University of Ghana. After returning to Norway I wrote a bachelor essay about Community Based Ecotourism Projects in Ghana. The six months that I spent in Ghana gave me insights into the Ghanaian history, culture and traditions as well as generated curiosity to know more about tourism as a tool for development and poverty alleviation.

### **1.5 Research problem**

The main objective of my project is to study the impacts of tourism on the socio-economic change in Busua community or what is often called development. Therefore the main research question is:

# Does tourism bring socio-economic development to the local community in Busua?

The specific sub-questions that will help me to answer the main research question are:

### RQ 1 What are the characteristics of the tourism industry in Busua?

The analysis of the main characteristics of tourism industry in Busua will help in defining what are the major constraints and possibilities related to tourism development in Busua. In addition, the analysis will also help in identifying if tourism is contributing to diversification of the local economy.

### RQ 2 To which extent and for whom does tourism facilitate job creation in Busua?

This question will investigate the patterns of employment within the tourism industry as well as in tourism related sectors, and the relevance of employment for the socio economic development in the community. My hypothesis is that local people are involved in tourism activities such as jobs in the hotels. However, these jobs are low paid and place workers in servile positions. The few who do get jobs will probably be of young age, with education and with good language skills. I also believe that local people will have some small scale tourism related businesses such as 'chop bars'- mini restaurants.

## **RQ 3** Do external and local stakeholders in tourism cooperate to the extent that spillover effects occur?

This question will investigate the scope of cooperation and the nature of conflicts between the actors within local community and external stakeholders within tourism in Busua. The question will reveal in which way this cooperation or conflicts affect the socio-economic development in the community, whether positively or negatively. It also aims at identifying the specific spill-over effects and implications of tourism on the local economy in Busua.

### 1.6 Structure of the thesis

So far, I have given an introductory overview of the content of this thesis and into the study area as well as the reasons for my interests in the subject and now I will present successive parts of the thesis.

In chapter two I present theoretical framework on which the investigation and analysis in this study is based. Theoretical framework also attempts to explain how the development of tourism in a small community can lead to the socio-economic development of this community or why and how can it have adverse effects. Firstly I describe basic terms that are necessary for understanding of this study which are development, tourist and tourism and what can the socio-economic effects of tourism development be. Then, I will explain how theoretically tourism can affect positively or negatively local socio-economic development. Considering this I will later define the characteristics of tourism industry that create multiplier effects in the local economy and influence or change place. Eventually, I define the concept of community in relation to local development in order to explain why a positive change does not occur at some local economies.

Chapter three describes the process of conducting fieldwork and discusses the methodological aspects of the research, and finally the reliability and validity of the study.

In chapter four I present the empirical data collected during the fieldwork which will later be analysed and discussed in chapter five. The presentation of the data follows the order of research questions. Firstly, I describe the main characteristics of tourism industry in Busua. Then I give a closer description of the impacts of tourism on employment generation in the village. Finally I present the data that will in turn reveal what are the outcomes of cooperation between the various actors in the local economy, and what are the effects of conflicts on the socio-economic development in Busua. In chapter five I analyse the empirical data in relation to the theoretical framework presented earlier. Through this I aim to draw the degree of impacts which tourism industry has on the local socio-economic development in Busua.

In chapter six I summarize my findings and finally end with a conclusion which clarifies what are the effects of development of tourism in a small local economy like Busua.

## **<u>CHAPTER TWO:</u>** Theoretical Framework

### **2.1 Introduction**

With a focus on tourism and its socio-economic impacts on the host community it is important to get an overview over the processes that contribute to these events. According to Kitchin and Tate (2000) the theory is a set of concepts that may be useful in explaining particular phenomenon, situation or activity. Tourism does provide many benefits to poor countries and it is economically advantageous in many cases. The question that must be addressed here is to whom these advantages accrue and whether tourism contributes towards local development.

Thus, in section 2.2 I will define the basic concepts that are necessary for analysis of the processes mentioned above. In Section 2.3 I will describe the relations between the dependency theory and tourism in developing countries. Section 2.4 will describe economic growth theories that demonstrate how economic growth in one area can induce growth tendencies in the other area. In the section 2.5 I will present the model of tourist multiplier effect which explains how tourism can encourage a spiral build up of tourist multipliers, which in turn may lead to development of the area in interest. The theories presented in this chapter provide the guidelines on how to analyse tourism in relation to socio-economic development. The last section provides the description of how the community should be understand which in turn may help in understanding why in some communities positive changes occur and in some it does not occur.

### 2.2 Conceptual definitions

### 2.2.1 Development

There is no clear definition of the term development, however depending on the meaning and the nature of development one might provide several characteristics of what development is. Simply put, one can say that development is the improvement of living conditions of a people. We can talk about social as well as economic development. According to Binns (1995) the most enduring definition of development is the Dudley Seers' definition in which he suggests that "development is almost a synonym for improvement" and that the reduction of three variables or indicators, namely poverty, unemployment and inequality should be key objectives of development (Seers in Binns, 1995, p.304).

According to Sharpley (2002, p.23) development refers to a process through which a society moves from one condition to another towards desired objectives. Authors also say that development is synonymous with progress involving positive transformation or good change.

The understanding of development concept today, which is almost synonymous with change and improvement in the quality of life of a people, is totally different from traditional understanding of development which was synonymous to economic growth in pure economic terms. According to the UNDP (2009), development today is much more than "rise and fall of national incomes" – development is about "creating an environment in which people can develop their full potential and lead productive, creative lives in accord with their needs and interest". Development is thus about expanding people's choices and freedoms and economic growth is only a means of enlarging those choices. Development is also about enabling people to have access to knowledge and a decent standard of living and participate in a life of their community and decisions affecting their lives.

Following Mihalič (2002) the concept of development in this study refers to socio-economic change which embraces indicators including increases in per capita income, a reduction in the poverty level, modernization in terms of social changes, higher levels of employment and literacy, improvement and wider access to medical treatment, better life with more opportunities for self-improvement, and so on.

### 2.2.2 Tourism and tourist

According to Høivik and Heiberg, (1980, p.69) the widely accepted international definition of tourist states that a tourist is:

"a temporary visitor staying at least 24 hours in the country visited and whose purpose of journey can be classified under one of the following headings: (i) leisure (recreation, holiday, health, study, religion and sport) or (ii) business, family, mission, meeting".

A necessary spatial addition to the definition of tourism is that "tourist must travel outside his/her usual environment" (Gosh et al., 2003, p.20).

This definition can be widely used for statistical and business purposes but when one considers qualitative research within fields such as human geography it is less acceptable.

For the purpose of my research I can adapt the typology of tourists (Table 1) presented by Høivik and Heiberg (1980) where the degree of self-reliance and the cost level is a determining factor in defining types of tourists and the degree to which they impact the destination areas.

	SELF-RELIANCE					
COST	Low	Medium	High			
High	Luxury hotels	Safaris	Camping-wagons			
Medium	Tourist hotels	Rented rooms	Tenting			
Low	Holiday camps	Hostels	Hiking			

Table 1 A typology of tourism with examples

(In Høivik & Heiberg, 1980, p.80)

The degree to which a tourist is self-reliant is an important factor in determining the socio economic impacts of tourism. The self-reliant tourist shares the daily life with the local population and lives closer to it than a low self-reliant tourist. However the economic benefits may be smaller when this self-reliance is high because the self-reliant tourist often invests in equipment such as tents and ready made foodstuffs in the home country.

The low self-reliant tourist will have lodging and food provided by others and therefore less contact with and impact on the local population at the destination area.

The medium self-reliant tourist which may have the most beneficial income to the local population often depends on local low budget lodging and uses local shops, markets and restaurants for purchasing food and drinks.

The authors draw from this typology a hypothesis that the medium self-reliant tourists will have the largest impact on the destination community. These types of tourists depend on the local low budget accommodation in opposition to both the low and high self-reliant tourists. And also in contrast to the high self-reliant tourist that have a very low budget and will not spend too much on food and drinks, the medium self-reliant tourist will use the local markets to acquire these goods. The low self-reliant tourist will have both accommodation and food provided in advance, even before travelling from its home country.

The next task of this subchapter is to explore what 'tourism' means. As in the case of tourist, there is no straightforward definition of tourism. In general tourism is a leisure activity which

provides periods of relaxation to ones personal life cycle (Smith, 1989). Depending on the type of leisure mobility that is undertaken by tourist, Smith (1989) identifies five different forms of tourism. These are: ethnic tourism, cultural tourism, historical tourism, environmental tourism and recreational tourism.

Jafari (in Sharpley, 2002, p.22) combines the technical and conceptual categories of tourism and defines it as "the study of a man away from his usual habitat, of the industry which responds to his needs, and of the impacts that both he and the industry have on the host's socio-cultural, economic and physical environment". In other words it is the manner in which tourism is consumed, the nature of tourism industry and the destination area that has implications for the developmental outcomes of tourism (Sharpley, 2002, p.23).

There is a high variety of conceptual approaches to tourism research which depend on the philosophical and ideological perspectives as well as on the theoretical approaches to tourism. In his paper Cohen (1996) selects eight conceptual approaches to tourism which, according to him, are most important in research on tourism. These approaches are: tourism as a commercialized hospitality, as a democratized travel, as a modern leisure activity, as a modern variety of the traditional pilgrimage, as an expression of basic cultural themes, as an acculturative process, as a type of ethnic relations and tourism as a form of neocolonialism.

Tourism as a commercialized hospitality is related to the relationship between hosts and guests. According to Cohen (ibid, p.57) the locals in the destination area initially see tourists as a part of traditional host- guest relationship but as their numbers increase, the tourists become less and less welcomed. The process also involved the transformation of hospitality from the customary and founded on values area into the very opposite economic dominated area. This approach is used in analyzing of the evolution and the dynamics of relationships between tourists and locals and studying conflicts within roles and institutions dealing with tourists (ibid, p.52).

The last approach to tourism, as a form of neocolonialism, may be appropriate for the study of socio-economic consequences of tourism in developing countries. The focus of this approach is on "the role of tourism in creating dependencies between tourism-generating, metropolitan countries and tourism receiving, peripheral nations that replicate colonial or imperialist forms of domination and structural underdevelopment" (Cohen, 1996, p.53).

The approach is occupied with relations between centre-periphery tourism. According to Nash (1989) the metropolitan centers have control over the nature of tourism and its development in the periphery that "makes a metropolitan center imperialistic and tourism a form of imperialism" (ibid, p.39). Imperialism in its simplest form is an expansion of interest of a given society abroad. The central metropolitan nations provide travel operators, main technological and managerial inputs, air transport as well as planning and management while the peripheral destination countries provide consumer goods and personal services. The peripheral destination countries adapt tourism and, as noted by Høivik and Heiberg (1980) investment in international standard tourism for peripheral countries may be like investing in dependency.

#### 2.3.3 Socio-economic impacts of tourism

According to Lea (1988) in order to reveal what is the impact of tourism on development in the Third World countries one must reflect on more than pure economic considerations when analyzing consequences of tourism development on the local level.

First of all, tourism is considered to be an invisible export industry (Wall and Mathieson, 2006, p. 73) since tourists actually collect and consume the service personally at the place where it is produced. Therefore, tourism is seen as a great way for most Third World countries to earn much needed foreign exchange. Foreign exchange earnings, however, do not come without costs. The amount of the foreign exchange earned is often overestimated because the costs of imports were not taken into consideration.

Tourism gives revenues to the government in form of taxes or duties on things which tourists use and buy such as alcoholic drinks or hotel room tax, which in turn constitute an extra source of national income from the tourist industry (Lea, 1988, p. 39).

Tourism is a labour intensive industry and therefore employment generation is one of the most important consequences of tourism development. Apart from creating new jobs there is a range of other consequences that follow job creation such as income generation, more spending, more demand, more investment possibilities, and also knowledge spillovers (Akama and Kieti, 2007; Cohen, 1996; Gosh et al. 2003; Harrison, 1992a and 1992b; Lea, 1988; Nel and Binns, 2002; Rogerson, 2006; Wall and Mathieson, 2006). There are three types of employment related to tourism industry (Harrison, 1992a). The first is the direct

employment in tourism facilities such as hotels. The second type is the indirect employment affected by tourism in a secondary way like local transport or handicrafts. The third and final type is the tourism induced employment which constitutes businesses that arose from the increased demand for tourist services.

Tourism may develop backward linkages in a local economy (Lea, 1988, p.48). The backward economic linkages may be created through for example utilizing local food products in the tourism industry (Telfer and Wall, 2000, 421). Food purchase constitute large part of tourism expenditures and can have potential to stimulate local agricultural sector and generate income and employment in the local economy (ibid, p.422). In the same time establishing the backward linkages between the agriculture and tourism can significantly reduce leakages out of the local economy. The local supply networks are constituted by small scale enterprises. Entrepreneurship therefore is another activity on which the development of tourism industry in the destination area has impacts. The extent to which local entrepreneurs, however, can be involved in tourism and can establish linkages with the hotel sector depends on many additional factors. First of all the cooperation between local entrepreneurs and the hotel sector depends on what type of suppliers are required, like foodstuffs, maintenance or repairs and on the capacity of local suppliers to meet these demands (Wall and Mathieson, 2006, p.137). Other factors determining the creation of local entrepreneurial activity and its cooperation with the hotel sector are the historical development of tourism, type of tourist development and the balance between local and foreign entrepreneurial activity. According to Wall and Mathieson (ibid, p.138) what often happens in the case of developing countries is rapid development of tourism industry which creates demand for large amounts of agricultural products that local suppliers are often not able to meet. Moreover, there is demand for products that will satisfy the tastes of foreign tourists. The products available on the local markets are often seen as not those of high quality and as produced in uncertain sanitation conditions. Tourism industry must be well embedded in the local economy which means that it should have strong backward linkages to the local economy in order to have positive impact on development in the destination area.

Tourism industry has impacts on the socio-economic structure of the community. It might cause the improvement of local and regional transportation network, water quality, sanitation facilities and garbage disposal which benefits not only the tourism sector but the whole community.

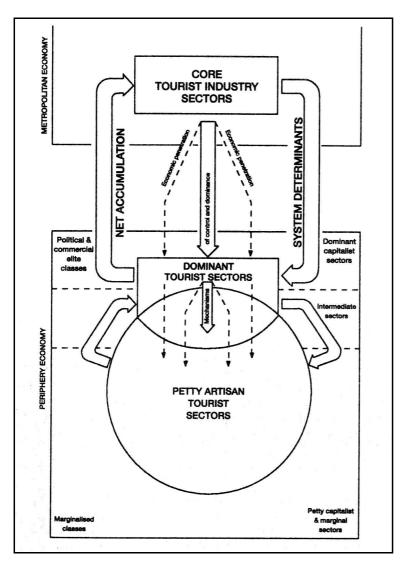
### 2.3 The dependency theory and tourism

The theory of underdevelopment, popularized by Andre Gunder Frank in "Capitalism and Underdevelopment in Latin America" (1967) describes the global economic system with the metropolitan center in developed countries and an underdeveloped periphery in developing countries. Developing countries export raw materials to the developed centre where they are processed into manufactured goods and later on sent back to the periphery. Most developing countries lack the resources for processing raw materials into goods and therefore they must import them. The price for the exported raw materials is often much lower than the price for the imported manufactured goods. The end result of this process is the flow of capital from the developing countries to the core countries, also known as a leakage. According to A.G. Frank (ibid) this capital leakage creates economic growth in the center and underdevelopment in the periphery.

The dependency theory and the issue of leakage have also been used to describe global relations within the tourism industry. According to Britton (1996, p.160), international tourism activities are usually generated in the developed centre of the world with transport, travel operators, hotel chains and other tourism supplying companies which dominate the lower levels of the industry in the tourist destinations. The tourist firms in the metropolitan centers cooperate with their branch offices and associates based in main cities in the destination countries. At the bottom of this pyramid are the small scale tourism enterprises of the destination country that are marginal to and dependent on the tourist companies at an intermediate level.

Companies located in the centre determine the organization and operation of tourism through ownership of international transport, package tours, overseas tourist investments and the manipulation of tourist preferences and expectations. Destination countries are extremely vulnerable because it is often the largest tourist investors such as airlines, hotel chains and travel agents that have a strategic role in directing tourism movements around the world and transporting tourists. Therefore, events such us political disturbances in the third world countries can easily leave these countries without tourists. Another consequence of the dependency relationship between the tourism generating North and the destination countries in the south are leakages. Tourism to the developing world often starts in the western countries. Therefore while tourists travel to the periphery and consume cheap resources like

raw materials and labor (Lepp, 2004, p.24) the money for the whole package are paid to the firms located in the centre. The overall consequence of this direction of tourism hierarchy is that even though all participants in the industry profit to some degree, accumulation of capital is in a reverse direction up the hierarchy (Figure 5).



**Figure 5 International linkages between metropolitan and periphery tourism sectors** (in Britton, 1996, p.165)

However, according to Lepp (2004, p.24) such dependency relationship can be avoided. The development of small scale tourism industry free of mega resorts and luxury enclaves that relies on small scale local investments, often in the form of cooperatives is seen as an alternative to dependency. Small scale local industry with community cooperatives and often close partnership with external investors has the potential to take away control from the centre and leave a higher percentage of capital in the periphery.

### 2.4 Trickle down effects vs. Cumulative causation

The American economist A.O. Hirschman, belonging to the modernisation school within the field of development theory, presented an optimistic neo-classical view for economic development (Potter et al., 2004, p.84). He argued that polarisation should be viewed as an unavoidable consequence of the early stages of economic development. The main argument was that eventually development in the core will lead to a trickle- down of growth inducing tendencies to backward regions. These effects were seen as expected and spontaneous process and his thesis was that governments should not intervene to reduce inequalities because at some point in the future the search for profits will promote the spin off of growth inducing industries to backward regions (ibid). The trickle down theory can be used in my study in order to see what impacts the well established tourist sector has on the local development and economic change in the community. The trickle-down effects theory can explain if there are any growths inducing tendencies from the tourism industry to the community.

This optimistic view presented by the modernisation school was countered by Swedish economist Gunnar Myrdal and others. He based his well known theory of circular and cumulative causation in underdeveloped countries on mutually reinforcing interactions between low living levels and low productivity (Todaro and Smith, 2003, p.64). Myrdal's view of cumulative causation refers to the "spiral build up of advantages that occurs in a specific geographic setting" (Knox et al., 2003, p.242), which might cause a cumulative negative spiral of economic disadvantage in other peripheral areas. These disadvantages are backwash effects, and they take the form, for example, of out migration, less investments and less taxes for local governments. These backwash effects might help to explain why the economic development in a region or a locality is uneven. Myrdal's theory can be seen as contesting to Hirschman's trickle-down effects.

However, Myrdal also provided a view that peripheral regions sometimes emerge as new growth regions which is the consequence of the spread effects. Spread effects are the positive impacts of the economic growth of one region on some other region. The growth in one region might cause that the level of demand for different consumer goods is so high that the region cannot satisfy it. Then the peripheral regions and local producers there have the opportunity to establish themselves and satisfy the demand. If these spread effects are strong, the peripheral regions might be able to develop their own spiral of cumulative growth. The

spread effects are employment creation, investments, better infrastructure, expansion of the wealth of the community and expansion of other services (Knox et al., 2003).

### **2.5 Tourist Multiplier Effects**

The field of research on economic impact of tourism at the national level is well established and the same attention is now given to the contribution of tourism to specific destinations at the regional and local level. Multiplier effect in tourism means that expenditures of tourist in a destination area create new incomes and outputs in the region and this in turn produce new expenditures and incomes. In a simpler form tourist multiplier effects are created when money spent by tourists circulate in the local economy.

"Firms and organizations providing goods and services directly to tourists will have increased sales revenues. These firms and organizations will, in turn, purchase goods and services from various suppliers within or outside the destination region. The latter process is called leakage. Further spending will occur when recipients of the above expenditures within the region spend their increased incomes. This cumulative respending of incomes creating additional incomes is known as multiplier effect" (Wall and Mathieson, 2006, p.109).

Authors (ibid) also note that if the local economy is able to produce enough to satisfy the tourism needs, multipliers will be greater. However, if the local producers are not able to satisfy the demand, and the rate of imports to the region increases, the leakage of money out of the local economy will be greater.

The tourist multipliers are similar to the spread effects within the Myrdal's cumulative causation theory. Myrdal's concept of spread effects says that economic growth in one region might cause the spiral build up of positive effects in the peripheral region, when the demand for goods and services cannot be satisfied by the core region. The spread effects in the peripheral region are for example employment, investments, better infrastructure and greater wealth of the peripheral community. These features are similar to those occurring as tourist multipliers. The difference is that tourist multipliers occur within the community where the new industry sets up and as a consequence of the demands of that new industry.

In Figure 6 I present a model of tourist multipliers within the local economy. Money that tourists spend at the hotel contributes to the creation of jobs directly in the hotel, but it also creates jobs in other sectors of the local economy. The hotel must buy food from the local farmers, which in order to be able to produce food may buy fertilizers or other items elsewhere in the local market. The demand for local products might also increase when tourist want to buy souvenirs or try local food. This increases the secondary employment. Additional employment increases incomes and this in turn increases spending. Income increases tax revenues for the local governments and that in turn might help in improving local infrastructure. However when the local market is not able to satisfy the demand for all the tourism related needs within the local economy, purchase of goods from other countries cause leakages from the local economy and the value of multipliers for the local economy decreases.

In order to investigate if the tourism industry in Busua creates tourist multipliers I will apply the above model to the local economy in Busua. Particular elements in the model would be Busua Beach Resort as the main hotel, the African Rainbow and Busua Inn as the other companies attracted to the area because of the high demand for accommodation services. Local business supply services in form of guesthouses, restaurants, transport services or others for example fishermen or farmers providing food to the restaurants and hotels. That creates additional jobs, income and taxes to the local government which in turn might improve infrastructure in Busua, for example roads. Hypothesis is that the leakage out of the local economy is too high to enable all these tourist multiplier effects in Busua. Therefore, it is important to investigate the impacts that the tourist industry has on the local community in Busua to be able to say if there is a change, positive or negative, in the local socio-economic development and who are the winners and losers in the community. This will be dependent on many factors such as the type of tourism in Busua or involvement of the local community in tourism activities, etc.

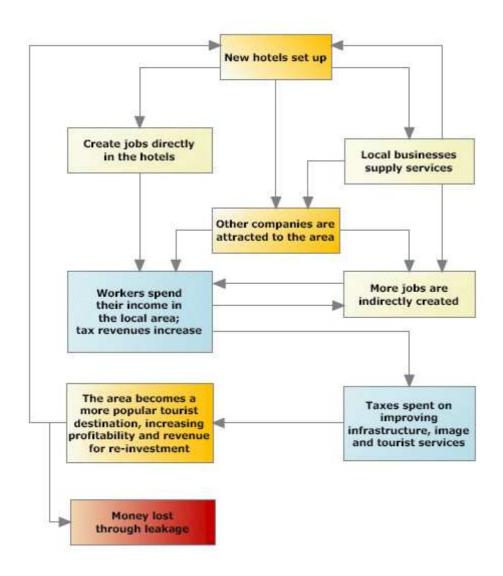


Figure 6 The Tourist Multiplier Effect (source: Barcelona Field Studies Centre)

## 2.6 The concept of the community

In much of academic research as well as in the development planning policies at the local level, community has been seen in one of three ways: as a small spatial unit, as a social structure or a set of shared norms (Agrawal and Gibson, 1999). Sometimes the view of the community may be a combination of these three ideas. There are a number of features which characterize a community as such, and they are: small area and small number of members of the community, territorial attachment, homogeneity (the same religion, language, ethnicity, caste, occupations, access to the same resources, similar incomes), common interests and goals (ibid). It is believed that the common interests within the community grow out of the homogeneity of the group and therefore, it accounts for a better understanding among the members and they are likely to avoid conflicts. These three characteristics of the community

that were advocates of the "community" approaches to planning and research recently has been criticized.

### 2.6.1 The institutional approach to the community

Many communities fail to achieve the goals of development and conservation policies. In the search for an explanation of this failure academicians revised the concept of the community. Recent academic work on the local communities in development and conservation turn the attention to focus on the multiple actors with their multiple interests within the community, processes and interactions between the members, and to the institutions that structure these interactions. One of the main failures of the previous strategies was that community was seen as a unified group of individuals and the differences within the community, the intra community dynamics and interactions of humans with nature and resources are shaped by a set of rules. This set of rules, both formal and informal is called 'institutions'. Institutions are also defined as "regularized patterns of behaviour between individuals and groups in society...and the importance of these institutions is that they influence who has access and control over what resources, and arbitrate contested resource claims" (Leach et al., 1999, p.226).

The institutional approach to development projects within communities "focus on the ability of communities to create and to enforce rules" (Agrawal and Gibson, 1999, p.638). What follows is that academic research within local communities should also focus on identification of "possibly multiple and overlapping rules, the groups and individuals affected by such rules and the processes by which the particular sets of rules change in a given situation" (ibid, p.638). This new institutional approach is what has been lately seen as 'a recipe' for understanding the complex issues concerning local communities, for revealing powerful voices and decision makers within the communities, and for explaining why many of the development projects within local communities failed.

### 2.6.2 Institutions and local development

People, groups as well as communities can cooperate for the benefit of the whole group. The typical collective activities are community based enterprises, cluster developments and inter firm networking. The determining factors for cooperation among the people are trust, norms, networks, power relations and sanctions (Lyon, 2000). These factors are the elements of the social capital that form social relations among the people, and these social relations in turn

form institutions. According to Lyon (ibid, p. 676-677), in many developing countries, actors that take part in various collective activities cannot rely on formal legal institutions to support their activities. In his study of Ghanaian agricultural markets, he shows that the most important factor for a development of cooperation and microenterprise survival, that allows the resource poor farmers and traders to improve their well being by increasing income or access to the key resources are the social relations.

The institutional approach to the community is important for the study of economic impacts of tourism for many reasons. First of all, participation of local community in tourism development as well as other projects such as conservation of the environment is very important. The indigenous communities are believed to possess local knowledge so as to how protect their own environments as well as manage the resources in their locality. They are also the ones who know better than governments and foreign organizations what their development needs are. Many development projects fail to achieve their goals because often local communities are seen as a hindrance to development. Local culture and traditions are often seen as stagnant but for development the change was needed. Because of these failures, participation and empowerment of local communities in planning and development projects such as tourism development became important. Participation in planning, decision making and development of projects involves local knowledge and also power relations which affect local knowledge. Therefore, the institutional approach to research within the local communities is important. It is essential to see who within the community have a chance to create knowledge, to participate in tourism and what the rules for participating in tourism industry are. There might be power relations within the community which will enable some of the members to participate in the tourism industry and others not. The role of the institutional approach is to reveal the multiple interests, relations and rules between differentiated social actors as well as the power relations within the community.

# **CHAPTER THREE:** Methodological Approach

## **3.1 Introduction**

In the following chapter I will explain how the research problem was investigated and I will describe the particular methods and techniques that I have employed.

Conducting fieldwork in a different cultural context, particularly in less developed countries, is interesting but also requires high sensitivity towards the differences and power relations that exist between researchers and the interviewers. It requires the researcher to be very perceptive and observant in order to see and understand cultural differences.

I conducted fieldwork in Ghana between June 2008 and August 2008. During this period I went to the study area four times and each time I spent there between one and three weeks. The rest of the time I spent in Accra acquiring various secondary data. My aim during the fieldwork was to gain knowledge and understanding about the locality and relations between different actors within community.

## 3.2 Entering the field and the importance of 'gatekeepers'

According to Kearns (2005) the most challenging process when doing fieldwork is gaining access to social settings and places. After arrival in the study area for the first time I realized that the local people that I met on the streets gave me an unfriendly look. Later on I found out that most of the white people coming to Busua are normally tourists, and are seen as intruders. I realized that it was the first status and role that was assigned to me by the community members during the fieldwork, a status and role as a tourist.

'Status' is a social position of a person to which there are some rights and duties attached (Linton, 1936, p.113-116). Status might be ascribed or achieved. The ascribed status is the one that a person is given at birth, for instance a girl or a boy. The achieved status is the social position that one may achieve during the lifetime. I may be a student, a mother or a teacher. In the case of the fieldwork it is the achieved status that might change in the course of the process of collecting data, and it is connected to the way that the researched community sees the researcher. Therefore, during the fieldwork the researcher may find himself/herself achieving several different statuses. The 'role' is a dynamic aspect of status meaning it is the

actual behaviour which a person with a certain status is expected to act. Therefore, the researcher may be able to achieve the intended status by the changes in the behaviour that are more adequate to the role that one wants to play out and the status that one wants to achieve.

The next move was to find somebody who could explain to me "how to go about things" in the village. I was advised to look for the Assembly Man (a member of the District Assembly chosen by the community members). Unfortunately for me, the person that I was searching for was not there. The man who took me to the Assembly Man's house, later on tried to sell self made juice to me as he thought that I was another tourist seeking exotic attractions.

I realized that I would need to find a member of the local community who would support me in gaining access to local people. At the same time I was in need of finding an interpreter. I knew that almost everybody in Ghana speaks some English, but I also knew that I would come across people who would not understand some of the terms that were used in the interviews. Therefore, I went to the local school area hoping that I would find somebody suitable there. I came across a young man who was teaching kids how to play handball. I told him where I was from, who I was and what I was doing. He was a graduate from a high school in Takoradi. He came back to his home village as he could not afford to continue his education at that moment. He spoke very good English and had good knowledge of the community which he came from. He was also a grandson of the chief's linguist. He also told me he once used to work as a tourist guide in the locality. We talked and we decided that he could help me during the few days and if it went well, for both me and him, he would work for me. After three days of trial interviews I decided that he was doing a good job and we both agreed that he would work for me as an interpreter. I offered him a day fee which was affordable for me and not offensive for him. In addition to that I paid for drinks and food on days that we worked together. The decision about the day fee was a very difficult one. I had to consult my colleague, who was doing fieldwork in Ghana too, and some Ghanaian friends to be able to decide the amount of money I would pay.

During the trial interviews I conducted four interviews with the members of the local community. The results of these interviews are included in the collected data because they were quite successful. The corrections that I had to make were connected to the way I asked some of the questions. I had to explain in more detail some of the issues. I knew that this could have influenced answers sometimes and therefore I tried to be as objective as possible

in the proceeding interviews. Throughout the time when the trial interviews were conducted I also tried to get to know the local community and people as well as gain some degree of trust and change my status from the tourist to a researcher by the way I behaved.

My interpreter informed me that in order to be able to talk and interview people living and working within the community I must have permission from the chief of the village. Therefore, my next step was to visit the Busua Chief's "palace", where my interpreter took me to. After the introduction where I presented to the chief the purpose of my research project, I got permission from him to start my research. The chief played a role of a gatekeeper. The gatekeeper is "the person who could enable or prevent a researcher from gaining access to potential interviewers by way of sanction or veto" (Jennings, 2005, p.107). Later on during the process of interviewing my interpreter was always informing the respondents that I spoke to the chief and he agreed that I could proceed with my interviews and research. I understood that if I have not done that it was possible that some of the local community members could refuse to talk to me.

After the unsuccessful attempt to find an Assembly Man on the first day of arrival in Busua, I finally managed to get in touch with his family a day after, and arrange an appointment with him on the next day. The Assembly Man is a person who is respected and trusted by the whole community and therefore could also play a role of a gatekeeper for me. His work is seen as contribution to the wealth of the entire community and therefore his decisions are accepted within the community. He also gave me permission to carry out the study.

There were several other people who performed roles of gatekeepers. According to Valentine (2005, p.116) "gatekeepers are those individuals in an organization that have the power to grant or withhold access to people or situations for the purposes of research". Since my study also took place in the hotels within the community, in order to talk to respondents working in the hotels, I had to talk first with the managers or directors responsible for these hotels. All of them agreed that I proceeded with my research. They normally tried to indicate which employees I should interview but I also tried to point to the fact that I wanted to interview people employed at the various levels in the hotel hierarchy.

In the second half of the fieldwork process I was finally accepted as the student-researcher as well as an inside observer of the community. At the beginning of the fieldwork I had fears

that the fact that I did not stay in Busua would prevent me from achieving this status and will always be seen as a tourist. However, despite the fact that I stayed in Takoradi and travelled every day for approximately 30 to 40 minutes to Busua, I achieved the status of a studentresearcher. What helped me in achieving this status were my behaviour and the role that I played which was the result of the knowledge which I had about human relations existing in Ghana. In the following chapters I describe closely the issue of trust that has its contribution to the successful fulfillment of the fieldwork.

## **3.3 Methods of Data Collection**

### 3.3.1 Qualitative research – an introduction

The intention with qualitative research is to understand and in the end to understand the meaning of a particular situation, event or social phenomenon by investigating it (Kitchin and Tate, 2000). Therefore, qualitative research always takes place within the natural settings of the world of the informant. The data that are produced through qualitative research focus on the state of the things or events rather than the frequency of them, as in the case of quantitative research, and are descriptive in nature.

In order to gather necessary data I used a community case study approach that involves "studying phenomenon within its real-life setting" (ibid, p.225) and I applied qualitative methods of data collection. The main research techniques that I used were interviews and observation. A case study is not a method in itself but an approach towards the phenomenon of investigation; it is also not representative but it gives the possibility to investigate phenomena in depth. According to Yin (2003), a qualitative study should intend to be general in respect to theory and not to a population, and therefore analytical generalisation is more relevant in a case study with a qualitative approach than statistical generalisation. In analytical generalisation a previously developed theory is used as a template with which the researcher compares the result of the survey (Yin, 2003). This can be possible only through "strategic choice of informants relevant to the study and not by statistically drawn samples" (Stenbacka, 2001, p.553). Therefore, my strategy in choosing the informants was purposive sampling.

### 3.3.2 The choice of informants

The focused and narrow research problem of my thesis have contributed to the decision about who I wish to involve in my research and why. I used purposive sampling that was

theoretically motivated. In sampling with a purpose "individuals are selected on the basis of the response they are likely to give, and the responses the interviewer is looking for" (Kitchin and Tate, 2000, p.54).

In total I conducted thirty seven interviews. The informants were categorized into four groups of informants: A) people directly employed within tourism industry (12 respondents), B) people employed or self-employed and occupied with activities closely related to tourism industry which arose from the increased demand for tourist facilities (6 respondents), C) people indirectly employed or self-employed within tourism industry which means those that may combine their income from elsewhere with the income from tourism related activities (7 respondents), and D) people involved in the management of the large tourism enterprises in Busua, namely hotels (5 respondents). Out of the thirty 15 were female and 15 male respondents. In addition, I interviewed seven key informants which represented various organizations involved in tourism development on the national and local level, and are not categorized in any of the four groups.

Group	Number of respondents	Female	Male
A)	12	8	4
B)	6	2	4
C)	7	2	5
D)	5	2	3

Table 2 Number	and sex	structure	of respo	ondents
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As I said before the purposive sampling is about choosing informants based on the responses they are likely to give. Therefore, in order to define what kind of respondents I was looking for, I had to define which factors describe the impacts of tourism on the livelihoods of local host communities in destination areas. The basic principles of Sustainable Livelihoods (SL) approach "provides a structure for collecting, analysing and integrating detailed household and community-level data to assess economic, cultural, and environmental components of the impacts on interventions on rural livelihoods" (Simpson, 2007, p.3), and can be used to define the assessment factors. Ashley (2000, p.13) emphasizes that "an assessment of tourism's impact on local people depends not only on its direct costs and benefits, such as profits and jobs generated, but on a range of indirect, positive and negative impacts ... such as impacts on

household assets, impacts on other household activities and strategies, contribution to a variety of household goals and influence on the external policy environment, and people's capacity to influence external forces". In my analysis I emphasize various socio-economic assessment factors, for instance employment, education and training opportunities, investment activities, access to the resource base needed for tourism activities such as land, income distribution, infrastructure such as roads, water access, electricity, schools and so on. And therefore, the choice of informants was based on whether they can provide necessary information about the above stated factors.

I identified few respondents who met the criteria of predefined groups and asked them to recommend others who they may know who could also meet those criteria. This sampling method is called 'snowballing'. Within this method participants are chosen by "the people who know other people with relevant cases" (Bradshaw and Stratford, 2005, p.72).

According to Bradshaw and Stratford (2005) in qualitative research the size of the group is not of so much importance. The size of the sample depends on what the researcher wants to know and the purpose of the study, therefore "*data collection continues until the criterion of interest has been saturated with information*" (Lepp, 2004, p.57). Therefore, I continued my research until I felt I will not receive any new information.

### 3.3.3 Interviews

An interview is the most commonly used qualitative research method. According to Jennings (2005) an interview is the "face-to-face interaction" and a "conversation with purpose that is sensitive and people oriented and allows interviewees to construct their own accounts of their own experiences by describing and explaining their lives in their own words" (Valentine, 2005, p.111). For the researcher "the qualitative research interview is a construction site for knowledge. An interview is literally an *inter view*, an inter-change of views between two persons conversing about a theme of mutual interest…and…it is more than a set of skills, it is also a philosophy, an approach to learning" (Jennings, 2005, p.102).

In my research I conducted both semi structured and informal unstructured conversational face-to-face interviews. The semi structured interview guide contained open-ended questions that were structured and standardized. "Open ended questions mean that the interviewee's responses are not constrained to categories provided by the interviewer" (Kitchin and Tate,

2000, p.213) therefore respondents could give me answers that they wish. The semi structured interviews also allow for deepening the subject by asking more questions concerning the subject if necessary.

Out of the 37 interviews I carried out thirty semi-structured interviews within four targeted groups of informants. The interview guides for the three groups of informants (group A, B and C) were quite similar but for group D the interview guide was much different, as I wanted to obtain different types of information. The interview guide for group D contained some "free-form topics to be covered" (Kitchin and Tate, 2000, p.214). It means that apart from semi structured questions in the interview guide I also included some topics that I wanted to talk about without preparing any specific questions concerning this topics. In practice the interview with the last group of informants, the management staff, was semi- structured interviews at the beginning and informal conversations towards the end.

I also conducted seven semi-structured and unstructured, conversational in manner interviews with the District Authorities and both governmental and non-governmental organizations responsible for coordinating, planning and managing tourism activities within the Ahanta West District. These interviews required a great deal of preparations, because I had to acquire a great deal of knowledge about the nature of the tourism industry in Busua before the interviews. Therefore, I conducted them in the latter part of the research process. "The unstructured interview is more open and more conversational like with no set of questions , just a theme, so that the interviewer and the interviewee become co-researchers in regard to the topic" (Jennings, 2005, p.105). According to Kitchin and Tate, ( 2000) this type of interviewer to keep the conversation flowing naturally. In order to keep the conversation in this manner I had prepared the guide on the subjects that I wanted to discuss with my informants. The personal skills that were necessary during these interviews were among many others good knowledge of English, openness, ability to make decisions about what is important, and knowledge of the discussed subject.

### 3.3.4 The process of conducting interviews

According to Jennings (2005) the success of the interview depends on establishing a close relationship in which the interviewer and the interviewee understand each other and communicate well. That means that the time has to be taken to establish a social relationship

with trust and respect before the interview starts. At the same time the researcher must maintain a neutral position about the topic to be able to remain objective in the analysis.

Kitchin and Tate (2000) state that one of the things that might help the researcher to earn the trust and confidence of the interviewee is by dressing and acting in an appropriate manner. I learned through experience that dress codes and behavioural codes are very important in social relations in Ghana. Therefore, during the research process I was very careful about the clothing that I was wearing and the way I was communicating with my respondents. Very often I was wearing different clothes when going for interview than when in my free time. I suspect that the impression that people in the village got of me being a tourist, when I first arrived there was because of the clothes I was wearing. For many Ghanaians it is prestigious to be a student, and therefore student must be looking appropriately to their status. After two or three days I realized that if I want to be seen as a student- researcher I must look and behave like one. According to Apentiik and Parpart (2006) the researcher's positions and roles can be negotiated and renegotiated throughout the research process. One of the factors that affect these renegotiations is the lifestyle, attitudes and behaviour that researcher adopts in the filed.

The rapport (Kitchen and Tate, 2000; Jennings, 2005) that I have described above is necessary for the successful recruitment of respondents and the interview itself. Apart from this I also prepared a summary of my project that helped me to explain to the potential respondents why my project is worthwhile contributing to.

Most of the interviews were conducted in the homes or offices of the respondents which facilitated more relaxed conversation and offered me possibility to learn more from the different environments. The interviews that I conducted in the hotels allowed me to observe the relations existing between employees at their workplace. I have noticed that in the smaller enterprises, employees were more careful about what they say and also wanted to be sure that nobody is listening to them. On the opposite the employees in the largest hotel were very confident and were not afraid to complain about different issues that were bothering them. I assume that it was related to the level of education that employees in these various enterprises have, which I will discuss in more detail later in the paper.

The interviews with the farmers enabled me to have a closer look at every day life of an average person. I had a chance to see how the day of the farmer looks like, what are the activities during the day that they must be doing, when is the time for a lunch or afternoon rest. During the fieldwork I learned quite a lot about the everyday life of an average Ghanaian. I also think that my eagerness to know them and willingness to listen and talk with the local people increased the level of trust towards me.

### 3.3.5 The role of the interpreter

English is the national language in Ghana and almost everyone speaks it. In a community where I conducted interview, probably everyone speaks English. However, I thought that it will be better to have the interpreter with me when conducting interviews with the local people. As I found out later it was a right decision because some of the respondents had problems with understanding certain issues. My interpreter was from the local community and knew the realities existing there, so he knew how to explain certain issues by giving examples that were understandable to majority of people. However, I think that he might have influenced some of the responses, especially with the respondents speaking only in the local language. When he tried to explain what the question was about he tried to give examples of situations and in some cases the respondents admitted that 'yes, this is how it is', instead of giving their own answer. This happened in the local language but I could recognize what was happening from the body language and the voice tone. He then explained to me transpired and what the respondent said. However, to avoid more situations like this I explained to the interpreter that he should try to translate and explain but do not give examples of what is for instance positive or negative.

Another advantage of having the local interpreter was that some of the respondents, despite the knowledge of English were far more comfortable in speaking the local language. The fact that my interpreter has lived in this community since he was born and everyone knew him very well, he also has a secondary education from Takoradi and he is the grandson of the chief linguist influenced positively the relations and trust of respondents towards me. According to Bujra (2006, p.177) interpreters, which know local language and have a good knowledge of a study area are more useful than those whose English is perfect. These interpreters can be both translators and ethnographic informants and can become intermediaries who will open doors (ibid, 174). Despite the young age of my interpreter I felt he had a broad knowledge of the community he grew up in and because he was known there

and people liked him I believe his assistance caused that people were more open to me. He has also been a tourist guide what shows that he did not only have local information but also knowledge about history, culture and heritage of the area.

He did not however, assist me when I interviewed respondents in the hotels since these people spoke English, and had an understanding of terms related to the tourism industry.

### 3.3.6 Observation

According to Kearns (2005), an observation process demands from the researcher to watch events as they occur. An observation relies on the observer's ability to interpret what is happening and why. Another purpose of observation is to understand the context of a particular place at the particular time through direct experience. In this situation the researcher is a participant observant.

In my fieldwork, observation played a complementary role to the interview and it involved spending time in the community as well as participating in different everyday life events such us waiting for the shared taxi with others, eating together, spending time on the beach, and taking part in the puberty rites. According to Apentiik and Parpart (2006, p. 37) the involvement in the cultural, economic and political life of the community can affect attitudes towards a foreign researcher, therefore some involvement in the social life of the community is necessary. On the other hand it is difficult to decide to which level one should involve himself in the local social life. The level of this involvement is dependent on the nature of community and the issues addressed in the research (ibid). Since my research was not of any political issues and certainly was not harmful to anyone I allowed myself for quite large degree of involvement into the local social life. Participation in the social events that I mentioned before gave me the opportunity to observe practical social interactions and relationship within the community. Participation in social events of the local community also increased the trust towards me.

Being present in a social situation means participation in this situation, even when the researcher is only observing. The different forms of participation are conditioned by the level of engagement and involvement in this process. Therefore, my research role during the process of observation was "an observer as a participant" (Kearns, 2005, p.196). In this form of participation the researcher is a newcomer who reveals intentions of the research to the

public in order to build a trust relationship with the observed. In this relationship the members of the host community know that they are being observed during the research process. The advantage in this sort of relationship is that the people may explain particular events as they happen.

The data that I collected through this method are personal field notes. Normally after the day or session despite feeling tired I tried to record reflections from the day's work. According to Kearns (2005, p.203), "field notes become a personal text for the researcher to refer and to analyse. They represent the process of transforming observed interaction into written communication". The field notes and reflections enabled me to be reflexive. According to Dowling (2005, p.22) "reflexivity is a process of constant, self-conscious, scrutiny of the self as a researcher and of the research process". It means that the researcher must analyse and carefully examine his own situation as if being studied. Reflexivity also means that when analyzing your own role and the process critically one might modify it when it is appropriate or needed.

### 3.3.7 Secondary Data Sources

Secondary data is defined as "information that has been collected by someone else and is available for the researcher to use" (Clark, 2005, p.57). The secondary data in my research was collected from different sources during the fieldwork process and included data such as documents, books, articles from journals and newspapers, publications, tourism statistics and maps.

## 3.4 Reliability and Validity

Reliability and validity are the concepts that are used for evaluation of quality in both quantitative and qualitative research. However, many claim that they are less relevant for judging qualitative study as being proper research or not (Stenbacka, 2001).

The basic reliability issue in research concerns the "degree to which data collection produces similar result under constant conditions on all occasions" (Bell, 2005, p.117). In other words, reliability is concerned with the repeatability or consistency of findings. However, according to Creswell (2003) reliability plays a minor role in a qualitative inquiry. The reliability issue with regard to qualitative method concerns "whether the researcher makes the whole process visible, including preparation, gathering and analysis" (Stenbacka, 2001, p.552). According to

Stenbacka (2001), if a qualitative study is discussed with the traditional reliability issue as a criterion, the consequence is that the study is rather no good. Therefore, an indication of good quality of a qualitative study is a comprehensive description of the whole process. The intention of the present chapter is to provide the detailed presentation of the research process.

Another concern of reliability is whether informants give correct answers, an issue which is based on trust. If the informant does not trust the researcher, he or she might be afraid to give the real answers, and instead may give the answers that will protect the interests of the informant. There is also a problem of the correct translation of the question by the interpreter to the informant. In this case, the role of interpreter is important both ways, because the interpreter must also transfer the answers to the researcher. If the interpreter have a rigid attitude on the social issues that are in question, he or she may impose own attitudes on the data and translate incorrectly (Bujra, 2006, p.177).

During the research process I tried to eliminate the chances that the answer that I obtain from the local people who do not speak English will not be reliable. I have discussed the issues of reliability, correct translation and objectivity with my interpreter in order to minimize the unreliability of the data obtained during the fieldwork.

Validity, on the other hand, is a more complex concept. In the case of qualitative observation it is about interpretations and therefore "whether a researcher sees what he or she thinks he or she sees" (Kirk and Miller, 1986, p.21). Validity is meant to provide credible conclusions and answers and it is used to determine "whether the findings are accurate from the standpoint of the researcher, the participant or the readers" (Creswell, 2003, p.195-196). According to Lepp (2004) validity in qualitative interviews is achieved through relaxed conversational approach in gathering information. Less restricted qualitative interviewing gives the opportunity for both, the researcher and the informant to clarify what has been said. Validity is also increased by the length of the study and familiarity with the culture and language. According to Kirk and Miller (1986), people and cultures can never be understood perfectly, but an attentive fieldworker developing and establishing a social relationship based on trust and respect is the best check of validity. Validity in qualitative research is therefore best achieved when using a non forcing method of interviews with strategically well-chosen informants (Stenbacka, 2001) that are a part of a studied phenomenon. Validity of the data also depends on the purpose of the study and the interaction between researcher and respondent where they can deal longer

with more important issues and leave the less important ones. It also depends on the correct understanding of the concepts, which means that the informant must understand particular concepts the same way as the researcher does.

My participation in a local life enabled me to better understand the people of Busua. Also, during my previous experience - six months study exchange in Ghana I learned many useful things about Ghanaians and their culture. I learned about ways of greeting people, speaking "Ghanaian English", dress codes, traditions, history, and about Ghanaian culture as a whole. This made it possible for me to gain trust and respect from the community members in Busua. They saw me as somebody who wants to listen, understand and learn something about their life. The comments that I have received from people in Busua were for instance:

"You are different than other white people coming here; you listen to us and you eat with us...you take part in our lives" (Personal notes).

The knowledge that I acquired about Ghanaians and their culture, the interactions and relations based on trust and respect that I had with them, my willingness to participate in local life, increase the validity and credibility of the conclusions that I draw in this thesis.

# **CHAPTER FOUR:** The tourism industry in Busua

## 4.1 Characteristics of tourism industry in Busua

### 4.1.1 History of tourism development

Busua has been a destination for leisure and pleasure for many years, even before numerous tourist establishments were present. The reason for it is that Busua possesses one of the most beautiful white sand beaches in Ghana. Another reason is the relatively easy access to Busua from both the Western and Central Region as well as from the capital, Accra. Today's biggest accommodation provider, Busua Beach Resort (BBR) has been present in Busua for approximately 40 years now, since Ghana's independence. At the initial stages the hotel was a small establishment, owned by a private person who was from Busua. Busua was a destination for short time leisure, pleasure and relaxation and the BBR was the only provider of a higher standard accommodation. The hotel was sold and reopened in 1996. This was the time when tourism came on the agenda of Ghana's economic development plan. The hotel was bought by the Social Security and National Insurance Trust (SSNIT). It is currently the largest state public non-bank financial institution in the country. In 1999 BBR and two other prestigious hotels, one in Accra and one in Elmina were incorporated into a merger that created a private company Golden Beach Hotels (GBH) Ghana Limited, where 70 percent of the shares are owned by SSNIT and the remaining 30 percent by Rexol International. The hotel manager said that the latter is a South African company, part of Rexol Group owned by a British man. La Palm Beach Hotel in Accra, one of the merger hotels was built by Rexol International.

Since 1996 there was an increasing interest in Busua as a place for tourist investments that came from mainly private sector. One of my respondents, a hotel manager, said that after returning to Ghana from Canada with the family and establishing their family house in Ashanti region they used to come to Busua for recreation and holidays. They noticed that there were very few accommodation facilities, especially those that provided more than budget accommodation. They saw the potentials for investment in Busua, especially because of the growing interest in Ghana as a tourist destination abroad, but also because of increasing foreign investments such as oil or gold mining which attracted both tourists, businessmen and expatriates to the country, and created the demand for new accommodation facilities with the

western standards. Busua was seen as a paradise for wealthy Ghanaians from large cities and foreigners working on various projects in Ghana. Since 1996 small and large scale private investments mainly into accommodation services were increasing in Busua.

### 4.1.2 Tourist attractions and activities

Busua is a coastal settlement and its main tourist attraction is a long and sandy beach, which has been its benchmark for several decades now. It is also known for hosting a variety of hotel and guest lodge accommodation. There are numerous natural and historical tourist attractions in the nearby settlements such as Dixcove or Butre but they do not offer tourist facilities such as accommodation or dining. Therefore, Busua in a way serves as an accommodation base for tourists visiting these areas. On the other hand, the possibility of relaxation, physical exercise, nature, and the beautiful scenery is a tourist attraction in itself. In addition, there is a small deserted island 'Nana Busua Island' about 5 kilometres off the coast which can be reached with a fishing boat from the village.

Recently, some additional activities have been developed to increase the attractiveness of Busua. The activities include guided town walks and experiencing traditional livelihoods, trekking through the forest and farmlands, bird watching and organized drumming and dancing. These activities are supposed to be guided by the trained local guides. However, local members of the community involved in tourism development in Busua complain about the poor demand from tourists for such activities.

## 4.1.3 Tourism Infrastructure

There are five rather large hotels in Busua that offer both luxurious, standard and budget accommodation. In table 3 the overview of the large accommodation facilities in Busua is presented.



Photo 1 Staff in one of the hotels

No	Name	Type of	Ownership	Number	Capacity
		accommodation		of rooms	
1	Busua Beach	Chalets.	Private company with	53	120
	Resort	Luxurious,	shareholders: 70 percent state		
		standard and	and 30 percent private non		
		budget.	Ghanaian investor.		
2	African	Hotel rooms.	Family owned ( Canadian-	12	36
	Rainbow Resort	Standard.	Ghanaian)		
3	Dadsons Lodge	Hotel rooms.	Ghanaian – born in Busua but	12	30
		Budget.	living in the United States of		
			America (USA)		
4	Alaska Beach	Chalets and	Two Americans living in USA	9	24
	Resort	huts. Standard			
		and budget.			
5	Busua Inn	Guest house.	French family living in Busua	4	12
		Luxurious and			
		budget.			

Moreover, there are five small home- based guesthouses or lodges that can accommodate a small number of people at the time. They are Sabina's guesthouse, Elizabeth's Homestay, Bliss Joy Lodge, Peter's Place and Sankofa Bar and Restaurant. All of the five establishments are owned by locals that were born or have established themselves in Busua a long time ago. To open a guesthouse, even small, demands an input of certain amount of capital, which is normally not available for the local farmers. In one of the cases the capital for establishment of a guesthouse came from income obtained during seasonal job in Europe. Normally, those who can afford to establish a guesthouse have a family member in a big city in Ghana or outside Ghana with wage employment, which helps with capital inputs.

These guesthouses mainly offer accommodation for backpacker tourists or low budget tourists, who want to experience real Ghanaian life. The host normally offers traditional Ghanaian breakfast in the price of the room.

At the time of my fieldwork it was only Sabina guesthouse and Peter's Place that were offering accommodation. Sankofa Beach Bar and Restaurant has been opened since 2001 and only recently the owner decided to build two guestrooms in addition. At the time of the fieldwork Sankofa offered one room while the second was in preparation. The Elisabeth's Homestay, after years of being used as both home for the family and a guesthouse, was turned into a family house. The reasons behind it, mentioned by the owner, were several, for example worsening of the family economy, less tourists, higher competition in the accommodation services and the size of the family. At the time of the fieldwork there was only one room kept for a tourist friend from the past or for volunteers that sometimes stay in Busua while working on various other projects. Bliss Joy Lodge is one of the bigger guesthouses and it has a capacity to accommodate about 15 people. However, because of the high competition from the hotels and lack of capital to modernize, the guesthouse was closed at the time of the fieldwork.

I did not have a chance to speak with the owners of the two remaining guesthouses, Sabina's guesthouse and Peter's Place. They were not available at the time that I was there. However, from the conversations with the locals and the tourists I found out that both are running, offer budget accommodation and are used mainly by the backpacker tourists.

There are several restaurants and bars in Busua. Each of the five hotels has a restaurant and a bar that serve both their guests as well as outsiders. In addition, there are several independent restaurants and bars, often called "chop bar" or "drinking spot". Majority of these small establishments belong to the local people. The local restaurants and bars offer typical Ghanaian dishes and drinks as well as the real Ghanaian experience. There are, however, two exceptions that have been established by foreigners that visited Busua as tourists before. The Black Mamba Restaurant is owned by a German-Ghanaian couple, however at the time of my fieldwork the restaurant was not opened because of the illness of the owner. The Black Star Surf Shop, Bar and Restaurant is owned by a foreigner, a tourist, who comes there a couple of times during the year, and the rest of the year the place is run by a Ghanaian from the local community. The food that is served in these restaurants often resembles the traditional Ghanaian meal, but the kitchen is westernized to suit the tastes of the western tourists.



Photo 2 Road to Busua

Another important tourist infrastructure facility is transportation. There is a good and quite regular connection between Busua and the nearby cities. From the capital of the Ahanta West district, Agona Nkwanta to Busua there are shared or private taxis, as well as less frequent connection with the Metro Mass buss service. If one comes from Takoradi to Busua there is also quite frequent 'tro-tro' (mini-bus) connection to Agona Nkwanta. These transportation methods are normally used by low budget tourists. There are very good tarred roads all the way to Busua so most of the tourists use their own or the company cars to get to Busua.

#### 4.1.4 Tourism as a strategy for rural development

According to the National Tourism Development Plan for Ghana for the period from 1996 to 2010 (UNDP/WTO, 1995, p. 37-38), the development and management of tourism should emphasize close coordination and cooperation among the various public agencies and boards involved in tourism and between public and private sectors related to tourism. Tourism in Ghana is a strategy for rural development and because of the decentralized authority the implementation of this strategy is left to the local governments, such as district assemblies. In practice, local governments, such as Ahanta West District do not have the capacity to implement tourism as a strategy for local development. Other public authorities, that are supposed to be responsible for implementing tourism, such as Ghana Tourist Board (GTB), stated that they also lack financial resources to implement any projects of that sort. Instead, they act as advisors to the external sources that have the capacity to employ tourism as a development strategy for rural areas. The external sources are usually foreign non-governmental organizations (NGO).

The recent development of various tourist activities in Busua was undertaken by an Italian NGO, Research and Cooperation (RC) with assistance from the Netherlands Development Organization (SNV), GTB and Ahanta West District Assembly as advisors, and funded by the United Nations World Tourism Organization. The eighteen months project, that lasted until the end of March 2008, that included Busua and the two other coastal settlements in the neighbourhood, Dixcove and Butre, aimed at "developing sustainable eco-cultural tourism for poverty reduction by empowering small-scale and community based ecotourism enterprises and by creating local supply chain linkages with the tourism private sector"(Ghana Westcoast). The interviews with the RC and GTB representatives as well as the report from the final validation of the project provided me with the overview of the latest achievements within tourism development in the area. The project had two components.

The first component was the development of two community based tourism enterprises (CBTE) which are owned and managed by the community. Those were developed in Butre and Dixcove because of the historical and cultural attractions. To strengthen the management of CBTE and tourism development the Town Tourism Development Committees (TTDC) were established to work on behalf of each community and all the remaining benefiting communities. The members are the representatives of all stakeholder groups in the community. TTDC also manage the operations of the thirteen trained Tour Guides (TG)

which come from Butre, Busua and Dixcove. The project also established the procedures for how to share the benefits from CBTE and TG. It was decided that revenues are supposed to be deposited in a bank account and should be shared as follows: 30 percent goes to the TG, 20 percent to the Community Development Found, 40 percent to TTDC and the remaining 10 percent goes to the Traditional Authority (RC, 2008, p.10).

The second component of the project was the training in development and management of individual tourism related enterprises. The idea was to increase local employment and investment opportunities. Since Busua itself does not boast many natural and cultural attractions the pressure was on developing other tourist facilities in here. The tourist information office for the entire area including Butre and Dixcove has been established in Busua. There are several tourism related enterprises developed during the project that are based in Busua, for example bicycle rental, vegetable farms, bakery, home stay. To ensure the sustainability of the project several trainings for the people involved in development of tourist related enterprises were organized, and also supply chain linkages between the enterprises and tourism private sector were created. For example, oral agreement between farmers, who established specialised farms for western vegetables, such as lettuce or aubergine, and hoteliers for the supply of these vegetables to their restaurants. Other oral agreements were for example between the hoteliers and tourist guides or bicycle rental enterprise, about giving information to tourist about activities which are available for them within the local community.

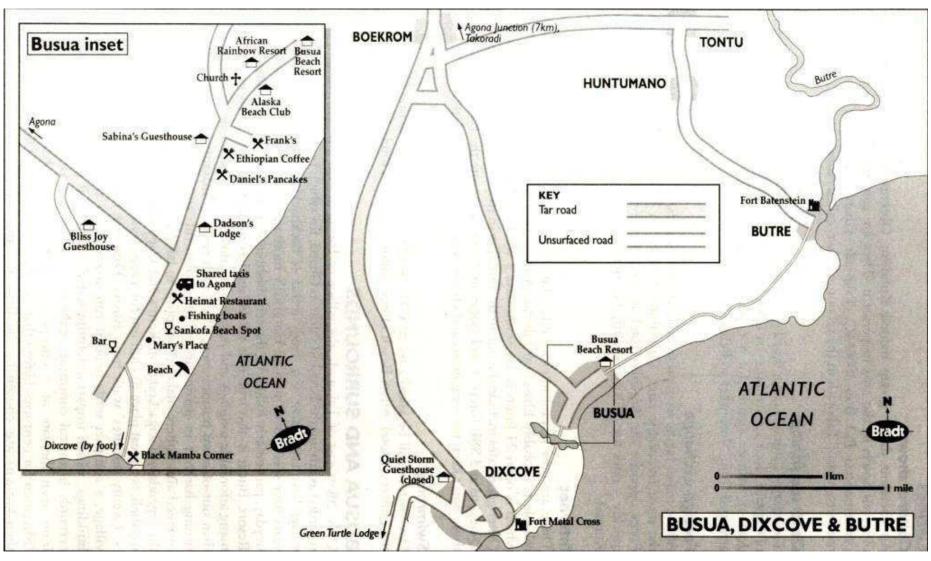
### 4.1.5 Busua as a tourist destination

Busua (Map 3) as a tourist destination is characterized by quite a large number of accommodation services (Table 3). Tourists may find accommodation both of international standards as well as low budget guesthouses and home stays. There are numerous historical, cultural and natural attractions in the area but the main tourist attraction in Busua is the beach. The beautiful and pristine beach in Busua draws the attention of people who want to isolate themselves from everyday life. Therefore, Busua serves primarily as a base for accommodation facilities. The map of Busua presented below is derived from a tourist guide and show how Busua is introduced to potential visitors.

The largest groups of tourists visiting Busua are domestic tourists. The group comprise of both Ghanaians and foreigners living and working in Ghana (Fieldwork, 2008). Busua is a

destination for both business and pleasure. The largest hotel, BBR can host conferences and offers high quality accommodation. However, this type of tourism does not have direct impacts on the lives of the local people, since all the services are taken inside the hotels. This type of tourists demand high quality services with western standards therefore they are rarely if ever using any of the local services.

The second largest groups of tourists visiting Busua are foreigners spending their holidays in Ghana. These groups normally come to Busua for a couple of days or for a week. Depending on the budget, they use either the large hotels or the low budget guesthouses. However, these tourists have more free time and are travelling because they want to know other cultures, and therefore they are more willing to come out of their lodges to get to know the people, place and the environment. The scale of the economic impact of this type of tourism, ranging from standard holiday travels to backpacker tourism, may not be too high but in fact it has direct impact on the lives of some people in the locality. Tourists, for instance, go out of their hotels to taste the traditional food and drinks or buy souvenirs. In the light of the Høivik and Heiberg typology of tourists, these are the medium self reliant tourists, who neither paid for all facilities before travelling nor are on a very low budget. One could say that they come without luggage and acquire all the goods at the destination area.



Map 3 Busua and the surrounding area (source: Briggs, 2004, pp.188)

## 4.2 Employment in the tourism industry in Busua

One of the objectives of this study was to explore what impact tourism has on the creation of local employment. In this section I will present the data collected in Busua that deals with employment related to the development of the tourism industry.

### 4.2.1 Tourism and employment

Interviews with the hotel management staff (Table 4) provided insights into what are the employment patterns in the tourism industry in Busua.

According to the Local Assembly Member and the information from the hotel managers there are approximately 120 employees working in five of the large hotels in Busua. Among them only about 30 are local people from Busua, which is only 25 percent of all employees.

Locals occupy mainly unskilled positions such as house keeping, gardener, maintenance or laundry. The higher positions such as receptionist, cook or even a waitress demand a higher level of education, which local people rarely can afford to complete. Two of the informants said that local people do not have the required education, training or experience so they cannot employ them. The employers said they also had unpleasant experiences with people being not serious about the job or not willing to work hard. Therefore, the main job opportunities that local people have in these institutions are rather unskilled jobs. However, the Dadson's Lodge where all the employees are local people from Busua seems to be an exception. I have been told that senior education or the experience in the tourism industry is not an important factor for one to get a job in there. It obviously has something to do with the standard of accommodation and the type of guest visiting the place. Dadson's Lodge is rather a budget accommodation, often visited by students and volunteers that do not demand high standard services. All the hotels offer some additional vacancies during the high peak season, which is Christmas. The positions that are offered are usually low and demanding very few skills. For these seasonal jobs priority is given to local people.

The higher position in the hotel hierarchy is normally taken by people from outside. Jobs such as manager, secretary or even receptionist demand a higher level of education and training in order to offer high quality services that western tourists expect. The higher positions in BBR are normally advertised internally or in the newspapers. Local people, on the other hand are welcome to bring an application at any time, and if there are any vacancies they might be called in for an interview.

No	Informant	Sex	Company	Description	Ownership
1.	General	М	Busua Beach	Hotel	Social Security and National
	Manager		Resort		Insurance Trust (SSNIT), Ghana /
					Rexol International, South Africa
2.	Assistant	F	Dadson's Lodge	Low	Local, family owned
	Manager			budget	
				hotel	
3.	Manager	F	African Rainbow	Hotel	Ghanaian/ Canadian, family
			Resort		owned
4.	Manager	Μ	Alaska Beach	Hotel	USA
			Resort	lodge	
5.	Owner	F	Busua Inn	Guesthouse	France, family owned

Table 4 Management staff at the largest accommodation facilities in Busua

Source: Fieldwork 2008

The BBR needs a lot of managerial staff while other hotels are rather smaller family enterprises and normally the owners take care of the management. They normally have manager who can take care of the place when they are away, but these hotels are small enough for the family to control and the duties of the manager are not that significant as in the BBR.

The other hotels employ people by the networks and reputation of a given person. It usually means if one say a good word about somebody that applied for a job, it is possible that he or she will get a job. In addition they also welcome applications from local people and employ if they have a need and the person is qualified for the job. However, it seems as if the hotels have their trusted employees and the job market in the hotels does not promise any significant expansion in the nearest future. It was also a message that I got from many of my informants. They say many local people apply for jobs in the hotels but quite few get a response.

#### 4.2.2 Direct employment in the tourism sector

In table 5 I present the basic characteristics of the informants directly employed within tourism industry, which in the case of Busua are basically hotels. Within this group I interviewed 12 informants. The group is divided into those that were born in Busua and those that came from other places to work in Busua. 33 percent of these respondents were from Busua (4 people), 59 percent of the respondents came from the other places in the country (7 people), and one respondent was from Togo.

The respondents who are from Busua occupy less important positions in the tourist sector such as cooking, serving or cleaning. All of them have only middle school education, which is Junior Secondary School (JSS). Both, primary and middle school basic education in Ghana is tuition free and mandatory so that everyone can afford to send their children to fulfil basic education. The junior secondary education is a three years academic training course combined with some technical and vocational training (Ghana Homepage, 2009). The poor economic conditions of many families in Busua do not allow their children to attain the higher level of education where tuition fees are already collected. Children after completing their basic education often must acquire jobs in order to be able to support the family economy. The junior secondary school provides vocational training that many of my respondents named as something that has helped them in getting the job in the tourist sector. They have studied for instance cooking.

All of them said that there are no possibilities for them to have a better position in their work place unless they acquire some additional education, for instance a catering course in the Senior Secondary School (SS).

None of them were satisfied with their income, saying it was 'bad'. The monthly income of the four respondents from Busua within the group of directly employed in tourism industry was ranging from 40 to 70 Ghanaian Cedi (GH¢). 1 Ghanaian Cedi was approximately 1 United States (U.S.) dollar in 2008.

The eight respondents who belong to the group directly employed within tourism industry were from Togo, five were from the cities of Moree, Takoradi, Sekondi, Cape Coast and Accra and two of the informants stated only regions that they came from, the Upper West Region and the Central Region. Among them only one of them had education below the JSS

level and he also occupies a very low position. The rest of the respondents have at least senior secondary vocational training, but also college education from the School of hotel and restaurant management in Accra.

No	Informant's occupation	Age	Sex	Origin/Place of birth
1.	Cook/Room Attendant	25	F	Busua
2.	Room Attendant	37	F	Busua
3.	Room Attendant	17	F	Busua
4.	Cooking /Serving	23	F	Near Busua
5.	Receptionist	28	F	Upper West Region
6.	Food and Bar Manager		F	Sekondi
7.	Waitress	27	F	Takoradi
8.	Bartender	46	М	Central Region
9.	Laundry Man	30	М	Moree
10.	Receptionist	27	F	Accra
11.	Receptionist	19	М	Cape Coast
12.	Chef	31	М	Togo

Table 5 Employees in the tourist sector

Source: Fieldwork 2008

These eight respondents stated that they have some experience in the hospitality industry from other parts of Ghana and that they also have been given different "in-house" trainings in previous or present jobs. They all stated that they moved to Busua because of the job that they got there. One of the respondents stated that she was on training after completing her education in another hotel of the same chain where she was chosen to be transferred to where she is presently working. One of the respondents applied for the position that was advertised in the newspaper.

Apart from one respondent who works as a laundry attendant because of the lack of education and relevant training, the rest in the group of directly employed in the tourist sector occupies more prestigious, customer oriented positions such as receptionist, bartender, chef, waitress and even food and bar manager. Depending on the place of work some of them were offered at least additional in-house training to improve their performance and customer service. Some of them see chances for promotion but all say that the requirement is more education, training and experience. However, one of the respondents said that "the management is changing too often to enable a fair and continuous assessment of them and therefore it is difficult to get promoted".

Most of them are quite satisfied with their income ranging from 120 GH¢ to 160 GH¢ per month. However, income levels differ within similar positions depending on the place of work as well as level of education. Therefore, one of the receptionists earned 160 GH¢ while another one earned 60 GH¢ per month. Most of the respondents said they contribute to their family household by sending some money to their parents.

### 4.2.3 Tourism induced employment

The second group of informants (Table 6) encompasses six people who are employed in tourism induced businesses, which means enterprises that originated from the increased demand for tourism related facilities. All informants within this group live in Busua but only two of them have been there since birth.

Nr	Informant's occupation	Age	Sex	Origin/Place of birth
1.	Bike Rentals	30	М	Cape Coast
2.	Restaurant/Tourist Information	35	М	Busua
3.	Family restaurant	47	F	Shama (near Takoradi)
4.	Bar/Guesthouse/Restaurant	32	М	Busua
5.	Gift shop		М	Central Region
6.	Guesthouse	30	F	Takoradi

### Table 6 Tourism induced employment

(Source: Fieldwork 2008)

The bicycle rental shop is quite a new venture in Busua. It has been created as a niche product during the recent project activities with help from the RC. The owner has received training on how to run his own business. Unfortunately, the rental of the bicycles is as he says "unprofitable and not stable nowadays". The informant has a technical education at the SS level and is considering the possibility of starting a new business that will bring him more benefits, for example opening an electrical shop.



Photo 3 Tourism related enterprise - bicycle rental

The tourist information officer in Busua has also his own restaurant. The informant completed SS School in Cape Coast. He has the official license from the GTB for his restaurant business. He has received training from the GTB as he was supposed to promote tourism in Busua by providing traditional Ghanaian dishes. He is also a tour guide and a tourist information officer but this is rather voluntary since he does not receive any regular income for it. The restaurant does not provide sufficient income because as he says, tourists prefer to eat in the hotels where they stay. However, when he manages to get a customer he takes care of him so that he or she comes back the next day to eat at his place. He says that he "sees his future in tourism". He is actively involved in the development of tourism for the benefits of the whole community in Busua and in establishing the cooperation between various actors in the tourism industry in Busua. He is actively involved in the RC and UNDP project for the tourism development in the area.



Photo 4 Informant – restaurant owner

Another informant was the co owner of the oldest restaurant in Busua. The informant said that the restaurant was there before electricity came, more than 30 years ago. I have been told that at this time there was much more tourist in Busua than today, even to the point that the only hotel during this period, BBR had to send the guests to them for meals, since they had the capacity to feed them. Today, the owners, a married couple must have an additional income to survive. The husband works as a carpenter while the wife still cooks for some people in the village. The little income that they acquire from work in the restaurant is not satisfactory. They lack the capital to invest in renovating the restaurant that could maybe bring the old busy life back to it.

The owner of the souvenir shop and a 'drinking spot' in the village comes from Ghana's central region. Previously he was working in the construction industry. He assisted in rebuilding BBR in 1996 and this was the job that brought him to Busua. A family member worked on the construction of BBR and helped him to get this job. Despite the fact that his income is far better than all the other informants in this group he has complained that it is not sufficient for him and his family. He believes that it is worth investing in tourism industry and he wants to build his own guesthouse.

Within this group I interviewed two owners of small accommodation facilities. Both of them are from Busua and they said they anticipated the demand for this type of facilities in Busua and therefore decided to open guesthouses.

The owner of the Sankofa Beach Bar and Guesthouse said that he decided to run this business "to satisfy the need of the tourists". When he started in 2001 there was no such facility at the beach. His main project was the bar where tourists could eat and drink. However after some renovations necessitated by flooding, he decided to add a guest house on the top of the roof. The income that he receives from Sankofa is not sufficient so he also has a second job as a tailor.



Photo 5 Informant – restaurant and bar owner

The second guesthouse/lodge is owned by a married couple, the wife that I had a chance to interview came from Takoradi to join her husband who was from Busua. At the time of the fieldwork the husband was not there as he was forced to travel to another place in Ghana to work. The lodge was not open and the reason was that the owners lacked the capital "to renovate the place to fulfil the GTB licence requirements for the yearly inspection". The wife also said that "because the tourism business is very seasonal it is better to have some additional work to do of the season, such as farming".

### 4.2.4 Indirect tourism employment

The third group of informants comprised those involved in activities related indirectly to the tourism industry (Table 7). The four out of seven informants were born in Busua, two lived in Busua for a long time, and one was from a neighbouring village.

Their reasons for moving to Busua were different. For one of them it was family reunification and a hope for the other better fishing prospects.

Nr	Informant's occupation	Age	Sex	Origin/Place of birth
1.	Fisherman	44	М	moved to Busua long time ago
2.	Home Cooking		F	Busua
3.	Farmer/Construction worker		М	moved to Busua as a child
4.	Farmer		М	Busua
5.	Juice maker/seller	50	М	Azane (neighbouring village)
6.	Restaurant owner	40	М	Busua
7.	Priest/Guesthouse owner		F	Busua

### **Table 7 Indirect tourism employment**

Source: Fieldwork 2008

The economic activities within this group were related to indirect employment within tourism industry in Busua. The indirect employment is characterized by the fact that a person in addition to the income from for example farming have a second income from a tourist related activity, and also this are the activities that may exist without tourism industry (Harrison 1992a; Gosh 2003).

One of the informants was a woman who cooks Kenkey, a traditional Ghanaian staple dish which is prepared from a mixture of fermented cooked maize meal and raw maize dough and wrapped into cornhusk, plantain or banana tree leaves. She has a large family, with 7 children who are not working, only farming and about 20 grandchildren. During the interview I got the impression that all the grandchildren were living in her house. She is from Busua but she lived for some years in Takoradi where she was selling rice. It was a small scale business and it was not profitable enough for her. While she was in Takoradi she learnt to cook Kenkey and after she left the business and returned to Busua. She has been cooking Kenkey for different small and big restaurants in the area. Because of her good reputation she was contacted by the large hotels in the area and got a cooking job from one of them. Unfortunately, the job is not permanent and it only entails cooking of the Kenkey and Banku, another Ghanaian staple dish, to other customers in the village or in the area.



Photo 6 Informant - Kenkey maker

Another informant was "The Juice man". He stays in the neighbouring village (Azane) with his family and his main occupation is farming. As an additional work he produces fresh fruit juice on request for foreign tourist. This job demands that he comes everyday to Busua to work for tourists who are willing to have a taste of his fresh fruit juice. He cooperates with another small entrepreneur, "the Pancake man" who has his own restaurant, where he "the Juice man" can prepare the juice. However, during my fieldwork the restaurant was closed, most likely because of the small number of tourists at that time. "The Juice man" said that he did not have any job apart from farming for his family's subsistence and some Americans taught him how to make juice from fresh fruits and gave him the idea that he could sell it and earn some income. "The Pancake man" on the other hand, was taught by Canadians how to make the pancakes. In both of these cases one may see the influence of western culture on the local market through tourists. "The Pancake man" has been cooking for tourists for 20 years and he is planning to develop his restaurant to be more visible. However "he also works somewhere else to earn more money". Both of them admit that the income they make from this extra activity is too low and insufficient to feed their families.

Two farmers, who apart from cultivating traditional vegetables such as tomatoes and peppers that can be sold at the market, also started farming western vegetables such as cucumbers and lettuce, to supply to the local restaurants and hotels. In addition to farming, one of them is working as a mason or, at the time of the fieldwork, as an election pooling agent. The other farmer has a small palm oil processing factory. Both of them expressed dissatisfaction with the arrangements around the vegetable farms. The hotels did not buy the matured vegetables from them as they agreed to do. For the vegetables that they sold revenues were so low as to make it unattractive. They ended making huge loses. Since there was only one buyer, the prices offered were far below the costs. These are not the normal vegetables used by the ordinary Ghanaian. These vegetables such as lettuce or aubergine are farmed specially for the tourist sector. Another factor that prevents the farmers from going to the market to sell vegetables is the amount which they produce. Since the yields were meant for sale in the local tourist market the size of the field does not allow for large production. The cost of transporting of the vegetables to the nearest market where they could be sold would exceed the profits. One of the farmers said that he manages to sell some vegetables almost every month to the hotels in Busua. However he did not receive regular payments for what he sold for a couple of months. The farmers also expressed their dissatisfaction with their involvement in this type of farming and one of them said: "we use our energy, and they benefit from us".

The fisherman I spoke with is a one of the most respected in the village. He owns most of the canoes in Busua, two motor boats and 6 paddle boats. His wife takes care of sale of the fish. They sell fresh or smoked fish in Busua or at the market in Agona Nkwanta. Occasionally, he supplies fish to the local hotel and restaurants. However, he does not have any formal agreement with them and the demand for fish from him is small.

The last informant in this group, the owner of Elisabeth's Homestay is a priest. She said that in 1960's and 1970' tourism have been a profitable business but "it is no more". Because of the competition from the hotels in Busua, the lodging business does not bring the necessary income. The presence of the hotels has increased the standard that all accommodations services have to provide. She therefore had to look for other sources of revenue to be able to feed her large family. Recently, she has become a priest which is quite a profitable occupation in Ghana. She was the first woman who was employed in the BBR in 1963, and she also had previous experience from working in large hotels in Accra.

## 4.3 Tourism and development

#### 4.3.1 The development of infrastructure

The presence of the hotels of international standards in Busua has its consequences on the development of infrastructure in the village. The managers of the hotels informed me about what are the ventures that have been proposed by the enterprises and what is their contribution to the overall improvement of the infrastructure in Busua.

One of the managers said that they invested in the development of Kumasi Ventilated Improved Pits (KVIP) which is a public toilet facility in order to improve the level of sanitation and the standard of living of the local community in Busua. This investment was definitely also meant for improvement of the image of Busua as a tourist destination. They also invested in construction of the new palace for the chief in Busua.

One of the infrastructural developments was erecting of electricity poles in the village in 1999, idea that was initiated by the hotel authorities. Recently, because of the persistent electricity problem in Ghana, the hotel authorities from Busua together with other hotels on the west coast of Ghana initiated a project where the rehabilitation and maintenance of the electricity cables and poles will be one of the priorities for the local government with the financial support from the hotelier group. The breaks in electricity supply cause a lot of damage and additional costs to the hotel budget which is the main reason for this project. The hoteliers, however, also said that this project will contribute to the improvement of the quality of the local people's lives, as the project will include entire communities.

Another project was the investment in the large litter bins by one of the hotels. The bins are located at vantage points in the village so that the people do not litter the streets in the village. This venture also has two aims, namely to improve the environment for the local people and improvement of Busua's image as travel destination. During the three months period with nearly daily visits, however, I have not seen the bins filled even once. The bins are quite visible and the name of the hotel that had donated them is even more visible but still, local people rarely use them. When I walked on the streets of Busua I noticed waste like empty plastic bags in which water is sold on the streets. Even in the picture 4.8 one can see a piece of used paper lying just next to the litter bin. I believe that the litter bins are seen by local people as part of a decoration of their village rather than something that should be used.



Photo 7 Litter bin in Busua



Photo 8 Waste disposal

The fact that one of the hotels is partly state owned has implications on the road networks connecting Busua with the main road from the west coast to Accra. The manager said that if the BBR had not been there, the road to Busua would not be in such a good state as it is now. Also another informant who came to Busua before the present state of tourism development and who took part in the restoration of BBR confirmed that "at that time there was no road to Busua".

#### 4.3.2 Entrepreneurial activity

The hotel managers stated that they are willing to buy products such as vegetables and fish at the local market and therefore utilize the local market in acquiring raw materials. However, in practice that does not happen. Managers from all of the hotels said that the amount of the items offered by the local producers is not sufficient for what they need for their restaurants. Therefore, they prefer to drive to the market in Takoradi once a week and acquire large amounts of the needed items such as vegetables or fish. The price of the foodstuffs bought in the large market in Takoradi is also lower because they often buy large amounts. In addition the local market does not offer any fruits and therefore they have to travel to the city to buy fruits.

The smaller hotels with fewer guests sometimes buy fish from the local fishermen, but only from those that bring the fish to them for sale. However, it normally happens only during the fishing season, when they have lots of catch. One fisherman said that the usual fish which he sells to the hotels during the season is cassava fish and lobster. Lobsters that he catches are sometimes up to four kilograms. It is easy to sell it to the hotel/ restaurants as it is an extra ordinary and exotic item that tourists often want to see and taste. The fisherman said that he tried to have an arrangement on a contract to be a supplier of fish to the hotels but none of the hotel/restaurants expressed interest in a permanent agreement with him. Therefore, his wife usually processes the fish, smokes it and sells it at the market in Agona.

I found postcards designed by local community member in the hotel souvenir shop. From the author of the postcards I found out that quite many were sold by the shop owner but he did not receive the payment for it. Local art producers often try to establish links with the hotels or restaurants to provide them with locally made art/craft but very few succeed. And from what I saw the local art is not promoted by those that have the capacity to sell it. One informant said she prefers to go to the big art market in Accra or Kumasi to buy large quantities of souvenirs because it is cheaper for her. I believe that the local market would be much cheaper but it needs support of influential enterprises based locally in making as valuable as art pieces from the art markets elsewhere.

As I have already described earlier in the chapter, the presence of the BBR and tourists drew attentions of others to set up accommodation facilities in the village. However, it is only the retiree tourists and returning migrants that had an opportunity to establish larger and more

significant enterprises. Local community members also tried to fill the gap in the lack of accommodation, but the capital that they had was sufficient only for establishment of small, low-budget guesthouses that have difficulties in attracting the visitors.



Photo 9 Local restaurant-Crab House

Those local people that had access to larger capital have established several tourist related facilities such as bars and restaurants. The tourist industry is, however, seasonal and at the time of my fieldwork it was a rainy season and there were not too many tourists. In fact the local restaurants and bars were empty. Two of the beach restaurants have usually guests during the weekends. The restaurants and bars in the village are rarely full. On the other hand they are also open to local people and since Ghanaians are very social they actively use the 'the drinking spots' in the village as the meeting place with friends where they can also chat or play games.



Photo 10 Local bar

Another linkage from the tourism industry to the local economy which creates income that can be re-used again in the local community is the private accommodation for employees in the tourism sector. I have already mentioned that majority of people employed in the hospitality facilities are not from Busua. The accommodation in the hotels where they work is provided only to those with the higher status occupation, like directors or managers. For the lower level employees hoteliers rent rooms in the private houses in Busua. These are usually long time agreements from 1 to even 3 years, and during this period the owners of the rented houses or rooms have secure income.

#### 4.3.3 Local costs of tourism development

One of the most important costs of tourism development is conflict concerning the use of land, especially the beach area. One of the local respondents said that before the development of tourism in the village the access to the beach area was much easier and the beach was full of coconut trees which are no longer there. According to him it is because the establishments of the several hotels the majority of the trees had to be cut down. The hotel owner said that the beach was very different at the time of arrival, for example fishermen had access to a much larger part of the beach, not like today when they are cornered at the end of the beach.

She also said that even though there is no fence on the beach local people are aware of the fact that they are not welcome in some parts of the beach.



Photo 11 View from one of the beach restaurants on the fishermen working

Another problem which also concerns land use is the recent interest from private and public actors to purchase land in Busua. New oil fields have been discovered in the quite close distance to Busua, near the southernmost point of the country, Cape Three Points, between Dixcove and Axim (see map 2). According to Pan African Network the West Cape Three Points oil field is potentially the largest single oil field discovery in the region. There is an increasing interest therefore in further development of tourism and specifically in establishing hotels which will provide accommodation for increasing number of employees in the oil field because one of the two major groups of tourists in Ghana are business tourists (see Figure 3) which is also true for Busua. One of the consequences is that many people in Busua are willing to sell their land without thinking about their own future.

# **CHAPTER FIVE:** Analysis and Discussion

# **5.1 Introduction**

In recent years the development of tourism has often been used by developing countries governments as an instrument of policy to bring about regional development. For activities such as agriculture or mining to be developed many regions need specific resources such as capital, land availability, fertile soils or mineral resources. Many regions in developing countries such as Ghana do not possess these facilities and therefore they often remain relatively underdeveloped in comparison to other regions. On the other hand, these regions often offer vast opportunities for tourists with its unspoiled nature. And therefore, tourism has been widely used as a strategy for achieving economic growth, diversification and poverty alleviation by most developing countries including Ghana.

This chapter contains the analysis and discussion of empirical findings presented in chapter four. The analysis seeks to answer three research questions presented in section 1.5.

Thus, in section 5.2, I provide the answers to the first and third research questions. The questions are related to each other because the analysis of characteristics of tourism industry in Busua provides the grounds for analysis of the effects of cooperation among the various stakeholders within the local economy. In this section therefore I investigate the implications of specific characteristics of the tourism industry in Busua on the socio-economic situation in the village and on the possibilities and challenges related to further development of tourism in the region. I also analyse what role cooperation and conflicts between various stakeholders and actors within the local economy has on the socio-economic development of the community. The section looks at the relations between local and external actors and stakeholders within the local economy in Busua. The analysis in turn will reveal what the effects of the level of cooperation and conflicts are on the local economy in Busua.

In section 5.3, I analyse what effects tourism has on the employment creation and what new job opportunities exist in Busua as a result of tourism. In 2008 approximately 232,883 direct or indirect jobs existed within the tourism industry in Ghana (Ghana Homepage, 2009). It is however very important to investigate what impact the development of tourism industry in

rural areas has on the creation of jobs and whether it is the local population in the destination areas who benefits from increased employment opportunities created by the tourism industry.

## 5.2 The nature and consequences of tourism industry in Busua

#### 5.2.1 Dependency and tourism

According to the dependency theory presented in section 2.3, if international tourism activities are generated in the metropolitan centers of the developed world and mediated to concrete destination areas through associates in the main cities in the destination countries, a dependency situation arises (see Figure 5, p.25). At the bottom of this pyramid are the destination areas that are completely dependent on the tourism companies at the higher levels.

In the case of Busua, the tourism industry facilities are not part of a large international hotel chain or international company. The main large hotels are family owned with the exception of BBR which is owned by a private Ghanaian company which holds 70 percent of the shares. Moreover, the amount of tourists with prepaid packages from their home country arriving in Busua are very few or insignificant. Therefore the tourism industry in Busua is not that vulnerable and dependent on the tourism industry in developed countries.

The vulnerability of a place such as Busua is dependent, however on other issues related to the international tourism industry. In case of any political disturbances in Ghana or Africa, or an outbreak of epidemic etc, tour operators and air transport companies, which are part of the tourism industry may easily redirect tourism movement into other areas of the world.

#### 5.2.2 Ownership and control

Even though the tourism industry in Busua is not foreign induced, it is characterized by external control. The lack of local control may be one of the major factors explaining why the benefits from tourism are not evenly distributed in the community. The tourism industry is characterized by individual ownership and therefore the major benefits are redistributed rather to the individuals that own the enterprises than the community. Lepp (2004) explains that if the benefits from the tourist activities should accrue to the whole community, the industry should be characterized by locally owned and managed small scale enterprises. The recent NGO project undertaken in Busua and two other adjoining communities (see section 4.1.4) ended in March 2008. It was aimed at developing the small scale community enterprises and

establishing links between the local suppliers and the tourism private sector. Several members of the community established enterprises related to tourism industry such as the bike rentals or vegetable farming. But the final goal of the project which was the establishment of the local supply chain linkages was never achieved.

#### 5.2.3 Spin-off effects of tourism on the infrastructure development in Busua

The result of tourism is often the provision of better infrastructure in the community, electricity, portable water supply and a sewage disposal system. The destination area is often modernised as a result of tourism and these western necessities are enjoyed by the members of the community too. Their lives become easier. Recently, the Minister of Tourism in Ghana (Ghana Homepage, 2009) said that "tourism could induce central and local governments to make infrastructure improvements such as better water and sewage systems, roads, electricity and telephones in the host communities".

Several of the informants in Busua suggest that the present infrastructure in the village would not have been available if there was no tourism development. A few minutes journey to adjoining towns and villages not benefiting from the tourist flow gives a different picture. The fact that there are 5 hotels in a small community like Busua, which are of international standard, has its implications on the infrastructure development such as roads and electricity. These hotels attract rather rich tourists who demand similar standards as they have at their homes. Therefore, the management of the hotels must put pressure on the local government (District Assembly/DA) to improve the infrastructure in order to attract more tourists.

One of the factors determining the extent and effect of development in the local communities is defined by the improvements in the lives of the local people and the infrastructural improvements that have greatly enhanced and contributed to this change. The hotels pay taxes which generate revenues for the local government (DA) which in turn is invested in the development of infrastructure. In addition the hotel industry in Busua adds voluntary capital for infrastructural development as this might increase their revenues in the future when more tourists come to Busua. BBR invested in building of toilet facilities for the members of the local community. Lack of the toilet facilities often becomes a problem in places where there is tourism development. Local people in the coastal communities such as Busua often defecate at the beach or in the bush as a result of the lack of toilet facilities (ISSER, 2007). Another problem is the disposal of a solid waste because most of the

households dumps it elsewhere or in a public damps which more than often are not properly managed. These places often increase the risk of outbreaks of various diseases. Therefore, these changes not only improve the image of Busua as a tourist destination but contribute to development within the community by increasing the standard of sanitation facilities for the local people.

One of the hotels also donated litter bins to the local community and located them at vantage points in the village. The bins were supposed to be used as waste bins. It seems however, they rather serve as another tourist attraction since during my fieldwork they were constantly empty. My understanding is that it is the result of a lack of communication between the tourism industry and the local population in Busua. Local people often feel overwhelmed by the "big hotels" and feel "they are there for the tourists and not for them". They may therefore feel that these litter bins are rather meant for tourists since they are marked with visible labels that read "donated by...hotel".

In Busua, it is first of all, the presence of good roads which enables easy access to the village which is a consequence of tourism development. Secondly, the increasing number of private taxis, which drive between Busua and Agona Nkwanta, are an indirect consequence of tourism development. The increasing numbers of employees in the hotels who moved to Busua and are often travelling to and from the village, have inspired and led to the booming taxi business. The increasing number of different means of transport therefore, is an indirect spin off effect of the development of the tourism industry in Busua.

#### 5.2.4 Tourism related multipliers

According to the Tourist Multiplier Effects model (see Figure 6, p.29) the development of tourism in a new destination area may increase the number of tourist visiting the place and increase the demand for other tourist related facilities. Busua has been known as a destination for leisure and relaxation for several decades. Already in the 1960's Busua was known for possessing one of the most beautiful beaches in Ghana. At that time there was only one hotel in the village. As the number of tourist started increasing especially in the 1990's, the BBR found it had to increase the number of beds to enable them accommodate the increasing number of tourists. There was a need for more accommodation facilities and the number of people interested in establishing hotels in Busua also started increasing. Since 1996 four other large mainly family owned hotels were established in Busua. African Rainbow Resort for

instance, was started by a Ghanaian-Canadian family, residing at that time in Canada and holidaying in Ghana. Starting a family hotel in Busua enabled them to fulfill their dream about settling down in Ghana. This was followed by some local initiatives who established low budget guesthouses and restaurants. Tourist investment was attracted to the area. My hypothesis, following the model, BBR was the first hotel established in Busua and this together with the increasing demand for tourist facilities resulting from the increasing number of tourists in Busua drew attention of others for potential investment. BBR therefore was the first cell in the tourist multiplier model from which the tourism industry in Busua took off.

Another tourist multiplier effect is the creation of income that can be re-spent. Employees working within the tourism industry in Busua re-spent part of their income earned in the village. Their income is created from the tourists expenditures. The hotel employees in Busua rent rooms in the village while working. They pay for rent, electricity and buy foodstuffs and basic needs from the village, or travel to the market in Agona Nkwanta to acquire other necessary items. The money which they spend on their everyday needs is then re-spent by the local people. They also buy necessary food stuffs or other household items within the local market or travel to surrounding towns to buy larger amounts of foods. The money that is spent in the local economy again creates income to those that have shops. The shops pay taxes from their income to the local government which also adds to the government revenue of which part goes to the improvement of the infrastructure in the district. And so the cycle goes on. Income is generated and spent and regenerated and re-spent thus causing a multiplier effect on the local economy.

Another multiplier effect of tourism is related to the development of local businesses that provide auxiliary goods to the tourism industry. According to the theory, the development of tourism industry should be followed by the development of additional local enterprises that will supply items necessary for the industry which is also called backward linkages from the tourism industry.

In Busua, until recently, there were no local suppliers of foodstuffs to the large hotels. The project initiated by an Italian NGO, RC was aimed at training local people in Busua on how to establish and run tourism related businesses. Several local people applied to take part in the enterprise establishing courses. They were trained on how to, for instance, bake or which vegetables to grow to be able to sell them to the demanding western tourist through the hotels

and restaurants. When it comes to the bakeries, the manager of the project said that the hotel restaurants were skeptical of the sanitary conditions in which bread was prepared and therefore were even unwilling to buy bread from the local bakers. Therefore the aim of the course was to teach local people how to produce bread under better hygienic conditions. At the end of the project, however, the producers were still left without buyers. The hotels did not buy the locally produced vegetables either claiming that the amounts were not sufficient enough to meet the demands of their restaurants and the prices are too high. The producers did not establish any formal agreements on delivery of items to the restaurants and therefore could only count on the good will of the restaurant managers to buy products from them. They are therefore put into a local dependency situation because they could not sell those products on the local market since these vegetables are not staples of the country.

Vegetables such as lettuce are not a part of a normal diet in Ghana, and in a small poor rural community the chances of finding markets for such products are almost nonexistent. Potential markets for such products exits in the large cities like Takoradi where distance and transport cost can be potential deterrents to such small scale producers. Costs can therefore exceed revenues and hence no incentives to embark on such ventures The lack of goodwill and cooperation from the hotelier side which could have propelled this initiative is particularly not existent and therefore hampering the strong multiplier effect of tourism which would have resulted had this existed. There are a couple of local producers that manage to sell some of their products to the hotels, such as the Kenkey maker, but this cooperation has very little or rather no impact on the local economy in Busua.

One other significant multiplier effect of tourism is the development of tourism related businesses which was caused by the increasing demand for tourist services. A number of local people in Busua have opened guesthouses as a result of increasing tourist arrivals to the village. The standards in these guesthouses are very different from those in the hotels. It is a different segment of the tourist industry, a low budget accommodation and therefore they cannot compete with the hotels for guests. In addition tourists that use the low budget guesthouses are mostly backpackers who do not have much impact on the local economy as the richer tourist do. Therefore, the local entrepreneurs who have guesthouses derive very little benefits from it. In addition to the modest benefits, the lack of competition between local and external tourist actors causes lack of innovation and in turn decreases the attractiveness of these establishments. Competition is a driver of tourism innovation which in turn can make

the enterprise more attractive on the local market and lead to a further development of other tourist services (Stamboulis and Skayannis, 2003). In addition, the innovative behaviour is a result of knowledge spill overs between the local and external stakeholders within the tourism industry, but since there is no cooperation between the various actors there are no spill overs. The lack of revenues, cooperation with the mainstream tourism industry and competition between the local and external actors resulted in many of the local entrepreneurs such as the owner of Bliss Joy or Elizabeth's Homestay having to close down their businesses.

#### 5.2.5 Uneven development

There are certainly some tourist multiplier effects or spin-offs from the tourist industry to the local economy in Busua. One of them is the modernization of the infrastructure in the village. Many of the multipliers are however not fairly distributed among the local community. Very often it is only a few local people who have houses big enough to rent out rooms. This is an example of the tourism income multiplier. The hotels employ people and their salary is a result of tourist expenditure. Then, the employees re-spent this income again in the village to rent out the rooms and again the people who receive the payment for renting of the rooms, spend their income further to acquire other goods such as food for the household.

Also those that can afford to establish shops or businesses get wealthier from tourism. Tourism in Busua therefore creates inequalities between local people. It is only those with access to resources such as capital or land that derive benefits from the tourism industry. And therefore tourism in Busua instead of reducing inequalities among local people rather increases them. Only few people in the community benefit from tourism, and they are usually those that are already better off. There are only few people who can afford to take up loans to start tourism related businesses. But those who do, not always come out better off than those who do not have the possibility to invest in tourism related activities. They often have to close down their businesses because they lack the necessary capital to modernize it to enable them compete for tourists, the issue which I explained earlier in this section.

It has been claimed that tourism can contribute to fair distribution of benefits to the whole community. Tourism industry in Busua seems to rather increase the inequalities. Local people who are directly involved in tourism industry benefit from it, but those who do not have the necessary resources are left behind. This has led to unequal lifestyles and opportunities. There are noticeable hardships for some members of the local population, mainly those who do not have anything to do with the industry but who have to accept the changing trends and the rising costs of living. They are completely left out even though they have to bear the consequences of what tourism has brought them.

Communities are not homogenous groups and there are different actors with different interests within communities. There are power relations within the community which determine who has access to resources such as capital in the form of loans to be involved in the development of the industry. The cooperation among different actors within the community may enable the whole group to work for the benefit of the entire community. According to Lyon (2000) there are factors which determine the cooperation which are trust, norms and networks. In Busua the lack of cooperation between the different stakeholders within the community is a result of distrust and eagerness of individuals to act only for their own benefits only. This was confirmed by several informants who said that both the people in the village and local and external stakeholders are interested in their own benefits only.

#### 5.2.6 Cumulative growth of tourism industry

One of the effects of tourism development in Busua is rising cost of commodities such as land and food. According to several informants, the prices of many items such as food in the local shops are much higher than they would be if there was no tourism in Busua. In the last couple of years the trend has been to sell land to various tourist developers and private individuals with big capital. In chapter four I mentioned that the interest in the massive sale of land has been induced by the recent oil discovery. Local people are aware that most of the tourists in Busua are foreigners working in Ghana. People suspect that the new oil field will employ directly and indirectly large number of people and therefore create an additional large number of tourists in close vicinity to Busua. Many local people are therefore willing to sell their land to those interested which are in turn willing to pay quite large amounts of money for it. This may cause an escalation in the development of tourism the industry in Busua.

Myrdal's (1957) theory of circular cumulative causation (see also section 2.4) says that the economic growth of one region may cause either the backwash effect or spread effects in the other peripheral region. I apply this model of circular cumulative causation to analyse the situation in Busua. In line with the theory the local economy in Busua is divided into the core part with the tourism industry and the peripheral part with local producers. The core tourism

industry has the chance to pull the other peripheral part of the local economy into the spiral build up of advantages through cooperation and establishing linkages with local producers. The situation in Busua however is the opposite. The tourism industry in Busua is growing but it disfavours the other part of the local economy by not cooperating with the local producers. It is only very few local producers who benefit from the tourism industry. Therefore instead of inducing cumulative growth it rather increases inequalities between the two parts of the local economy. In addition the majority of the income from tourist expenditure leaks out of the local economy in Busua to other places in the country. The hotel restaurants buy necessary items for instance food and furniture outside the local economy and therefore re-spend the majority of the income outside of the local economy leading to the creation of leakages. Lack of cooperation and communication between the local suppliers and the external tourist actors is truly the reason for the negative spiral build up of disadvantages for the local economy.

Leakages out of the local economy are a negative effect of tourism. Since in Busua the external stakeholders are still part of the national economy, that is, they do not belong to the larger international chain companies, one would expect that the leakage of capital out of the local economy would not be that high. The reality is however different. Hoteliers choose to buy food items outside the local market. Other items, such as furniture are not even available on the local market. There are very few local producers who actually provide meaningful items to the hotels, and when they exist, these are few and far, for example the Kenkey maker or a farmer. This means the hotels are more dependent on outside suppliers than the local market. Much of the revenues generated in Busua are therefore channelled or used elsewhere. The leakage of capital out of the local economy is much more than the tourist multiplier generated from the supply services.

The lack of cooperation and communication between the various actors within the local economy in Busua results in rising conflicts. One of the most visible and important conflicts in the village is that of land use and especially about the beach area. Traditionally, before the development of tourism local people had unlimited access to the beach. Busua was primarily a fishing village. At present, however it is tourism that is the main industry in Busua and since the beach is the major attraction of the village, it has been reserved for the tourists. The port for the fishermen was moved to the small corner on the coast far from the central tourist attractions, since as to prevent them from polluting and contaminating the beach with their canoes and nets and thus making the beaches unattractive to tourists. This has become a

critical issue since most of the local people use the beach routes when visiting neighbouring villages like Butre. These types of conflicts have rather adverse effects on growth.

#### 5.3 The impact of tourism on employment in Busua

The aim of the second research question is to investigate if new employment opportunities have been generated in Busua as a consequence of the tourism industry.

Tourism is a labour-intensive industry and the employment effect of international tourism is very impressive. The direct tourism employment is the one which arises directly from tourism, such as employment in the hotels while indirect tourism employment may exist completely independent of the tourism industry, but still it is often there because of the tourism industry. My study shows that indirect tourism employment is the secondary employment/source of income derived from tourism related activities, next to income from elsewhere. In addition to direct and indirect tourism employment. Tourism induced employment arises from the increased demand for tourism facilities. The creation of employment which is a consequence of tourism development, whether direct, indirect or induced, is one of the multiplier effects of tourism (see Figure 6). The employment multiplier is the effect of the money spent by tourists and the demand for tourist services. Tourists spend money and these expenditures create new incomes in the destination areas.

According to Harrison (ibid) the direct employment in the tourism industry normally has relatively little local participation. The direct employment in the tourism industry in Busua is related to accommodation services. Busua is a relatively small tourist destination and it does not offer any other large tourism enterprises such as restaurants or casinos, and therefore it was only possible to investigate impacts of tourism on direct employment in the hotels. The relatively little local participation in this type of direct employment is true for the case of Busua. Among 120 employees in the hospitality industry in Busua, only about 30 are local people. Most of the hotels in Busua are of international standards and the employees must have the skills that are expected by international tourists. These types of skills and attitudes are often not a part of a local culture in the tourist destinations in the developing world (Wall and Mathieson, 2006). Therefore, the hotels must look elsewhere to recruit their employees, and this was indeed the case in Busua. The hotel management and tourism field or with long

experience for the vacancies. They said that local people do not have the required level of education and therefore they can only be employed for the unskilled positions.

Despite the fact that tourism is a labour intensive industry there are actually very few tourism related jobs that do not demand any skills. In the case of the hotels it is only the room attendants, cleaners and others at the same level that does not demand any skills. Even jobs such as waiters or cooks do demand some technical and theoretical education in these professions. The types of work skills therefore, that are available among local people will determine the extent to which tourism will have impacts on the creation of employment. If the hotels are looking for people with particular skills and they cannot find these people among members of the local community they will redirect their search outside the local community.

The tourism industry creates employment but the overall extent to which this contribute to the development of the local economy may be exaggerated (Harrison, 1992b). In fact large international hotels create jobs for local people. But, the jobs are generally lower in rank, low paid and do not offer any further training in the field. This is often caused by the low level of education of the local people. Probably if people in tourist destinations such as Busua could afford to fulfil higher education there would be more possibilities for them to engage in more significant jobs in the hotel industry.

Tourism employment in Busua is often very seasonal, not only in accommodation facilities but elsewhere too. When there are no guests, there is no work. However, there is a little number of permanent employees in the accommodation facilities who come out better off. Despite the small number of guests they have jobs throughout the year. The seasonal workers are often needed only during the peak periods such as Christmas holidays or Easter holidays. The seasonal workers are usually between two to twenty additional employees depending on the size of the enterprise. In the peak season, such as Christmas, BBR employ fifteen to twenty additional workers while Busua Inn one or two. The hotel managers said that during these periods it is often the local people that are employed and they do not need to have any specialised skills because of the nature of the jobs offered. However these jobs are not permanent and if one was employed during the Christmas it does not guarantee that he will also have job during the Easter, or the opposite. In addition these jobs are low paid and may distract the person from undertaking other income generating activities such as farming.

One of the effects of tourism industry created through employment is knowledge spill-overs to the local economy through the people from the local community who are employed within tourism related businesses. According to Mihalič (2002) self improvement to which knowledge contributes is part of the individual development and the community socio-economic development in turn. However, the low percentage of the local people taking part in direct employment and benefits that are related to it such as courses or training opportunities, that were mentioned by all the managers interviewed in Busua, do not reach many people in the communities. Also the people working in the low-skilled positions are not offered courses or trainings. Seasonal workers, since they may never come back, and are doing very simple tasks, usually cleaning, are also not offered any form of training either. The cost of training these employees is not considered to be worthwhile investment. So, in the case of Busua tourism does not create knowledge spill-over effects to the local community.

Tourism has become quite a large and important industry in Busua. It diversifies the local economy and gives opportunities for wage income but also reduced opportunities for other activities to take place on a larger scale because of the small capacity of such a small local economy as in Busua. If local people therefore, do not participate in it, the opportunities for socio-economic improvement are reduced. The reason why they cannot participate in tourism related employment is their lack of sufficient education. The reason why many people in Busua cannot afford to complete their education is their poverty and lack of access to wage income which could bring the necessary cash to pay for the school fees. My hypothesis is that they are locked up in a vicious cycle where without the requisite education. And also with further development of tourism and lack of consideration of the need of local people for employment their situation will become even worse.

The case might be a little different when it comes to employment that arises from the demand for additional tourist services or indirect tourism employment. It is the field for the local people's initiatives. In Busua there are many locals that have seen the opportunity for investments in tourism related activities, however only those that were lucky to have access to capital for investment were successful. The small guesthouses that were opened recently in Busua are usually of a low budget standard and the owners often complain that benefits hardly exceed the costs of maintaining the place. What matters for the low budget accommodation is

the type of tourists that come to Busua. The majority of tourists are international or business tourists, who demand standards not available in the low budget accommodations. There are only few backpacker tourists and the revenues that the guesthouses acquire from their visits are not sufficient for survival of these enterprises.

Other tourism related facilities that create employment in Busua are for instance, as I described in the previous chapter, bike rentals or dining facilities. All the informants within this group have complained about the same issue, lack of tourists or if they come here, it is a struggle "to get them to eat at my place" as one restaurant owner put it. The restaurants must truly 'hunt' the tourists to come and dine there. So as one respondent said when he sees a group of tourists walking in the village, he invites them to his restaurant but according to him it is difficult to convince them. Tourists normally eat in the hotels where they stay, and often they do not leave the hotel area. In my opinion it has something to do with the issue of the image of rural local people. Tourists that often come from for example through a travel agency, have been told wild stories and asked not to trust the locals, etc., and are afraid to wander into places that they do not know. They are also warned that they should watch what they eat and drink so as to avoid getting sick. If they come with travel operators, they often have everything organized and they do not have to roam around to look for attractions.

Other employments opportunities that did not exist earlier and arose due to the emergence of the tourism industry are for example western vegetable cultivation/farming and bakeries. These have originated as backward economic linkages between tourism and other sectors of the economy such as agriculture. Tourism industry creates the demand for local supply linkages such as the one between tourism and agricultural products. One of the most common products needed within tourism industry is food and in rural areas such as Busua local farmers have the opportunity to establish linkages with tourism to supply food to the restaurants. I spoke to two farmers who have established vegetable farms. The farms as well as the bakery were established during the RC project. One of the aims of the project was to help in training and development of independent and self-reliant businesses that could offer their services to the private tourist actors in the village. The farmers said that the idea was good but in practice after the end of the project, the reality has been very different. First of all the cooperation between farmers and the hotels for vegetable delivery was only oral, without any valid contract. Farmers have invested a lot of capital in the development of the farm and do not have the sufficient revenues that could cover costs of establishing these businesses. The issue

has been the sustainability of a given project after the agencies such as NGO's leave the sites. How both the local and national or international actors within the local community could cooperate for their mutual benefits? Of course the one with most power, which often means capital, will always exploit its advantages to the detriment of the weaker ones. As Agrawal and Gibson (1999) explains communities are not homogenous, and there are multiple actors with their multiple interests within communities. The theory of differentiated community is also valid for Busua where there are various actors within the tourism industry and in the community. These are private individuals with their own personal agendas and interests..

All in all, tourism creates new employments related to tourism activities in the local economy in Busua but the question is the degree to which it generates these new job opportunities. It is only very few people that can acquire the capital needed for development of such enterprises as for instance guesthouses. But those that do establish something have a hard time surviving the competition with large, more powerful companies in Busua. I think that the majority of people find other occupations, rather not related to tourism industry, such as tailoring, fishing, selling petty shops, eating or drinking spots for local people or taxis services. These types of enterprises are not dependent on tourists and tourism because they are meant for local people and despite the fact that they provide less income than from the tourism related activities they provide often more stable income throughout the year. Those that have activities related to tourism, often struggle because the investments and costs of running often exceed the revenues from it.

Tourism often creates employment on the local and national scale but the range and scale of this employment at the local level is often not sufficient to have positive impacts on the socioeconomic development of the whole community. If local people work only at unskilled levels as it is in Busua, they will not learn anything new but one of the attributes of economic development and change is educational advancement and technological progress.

The positive side of the tourism industry in Busua is that it creates employment for some people in the community, whether it is direct, indirect or tourism induced employment. People in the community begin to see the opportunities that exist within the tourism industry. The problem is lack of capital for investment in tourism related businesses. But in fact tourism in Busua has contributed to a diversification of the local economy because people begin to see the importance of education and the opportunities that they have for wage employment in the tourism related services. So, after all I would say that Busua would not be better off without tourism because it has positive effects on the employment opportunities. What needs more attention is the scale of opportunities given to the local community at the destination area. Through employment in the tourism industry people should be allowed to learn more because development is strongly associated with knowledge spill-overs.

# **CHAPTER SIX:** Conclusion

# 6.1 Summary

In the introductory part of the thesis I have outlined the three sub research questions to analyse of the consequences of tourism development in Busua. In order to understand the importance and interest in tourism as a tool for socio-economic development in rural communities in the developing world the introductory chapter also threw light on tourism development in Ghana.

In order to clarify the research questions a theoretical framework was presented in chapter two. To facilitate understanding of several terms used in the research questions an explanation of these terms are also provided. The theories of economic development were then used in explaining the driving forces affecting socio-economic development in local communities. Further, the thesis goes on to analyse and discuss some of the various factors could have both positive and negative impacts on economic development of the local community..

In chapter three I presented my research approach and applied methods, as well as giving account of the reliability and validity of the data used. The research relied entirely on qualitative oriented methodological approaches.

The theoretical framework presented in chapter two was used to analyze the characteristics of the tourism industry in Busua in chapter four, and further to discuss the effects that development of tourism has had on the local socio-economic development of Busua in chapter five. In the following section I will present answers to the research questions based on the analysis and discussion presented in chapter four and five. The research questions are closely related, therefore they are answered together.

# 6.2 Tourism - a tool for socio-economic development in Busua?

The main research problem of this thesis was the investigation of the socio-economic impacts of tourism on the local economy in Busua. In order to answer the main research problem several factors were examined during the research process.

Extensive information on tourism development in Busua has been registered since 1996. The data presented in chapter four shows that the main stakeholders within tourism industry in Busua are those providing accommodation facilities with some having external ownerships, service providers and the local community. The hotels do not belong to the large international hotel chains and therefore the dependency on the foreign tourist industry is reduced. They are actually based in the village and therefore their decisions are more adjusted to local conditions than it would have been if the situation had been as presented in the model in Figure 5 (p.25). Capital leakages are therefore also lower and the destination of the leakage is the national economy and not outside the country's boarders. National ownership and management of the main tourist facilities enhance benefits which accrue to the country. The profits of the owners remain in the country and there are no foreign management fees to be paid overseas.

On the other hand the lack of cooperation between the external and local stakeholder within tourism industry in Busua is what causes the problem. According to the theories presented in chapter two one of the most important positive effects of development of tourism in a destination should be development of backward linkages to the local economy. Tourism has potentials to strengthen a local rural economy such as Busua through creating strong backward economic linkages through for instance purchase of food from local farmers. Another spread effect of tourism is the transfer of knowledge. The cooperation between various actors may enable the spread of knowledge in both directions to and from the local actors. And both local and external actors benefit from the knowledge spill overs enabling them to improve their businesses. However the absence or lack of cooperation in Busua has had rather adverse effects on the further development of the local economy. The spill-over effects and backward economic linkages are not very significant and hence both parties lose out.

One of the most important tourist multipliers is the creation of new employment opportunities and diversification of the local economy. Although tourism in Busua creates some employment for local people the scope and significance of this employment is not tremendous. Local people normally occupy very low and unskilled positions, but as Harrison (1992a, pp.18) wrote "development does not come from a nation of waiters, bell hops and chambermaids". The other types of tourism related employment, the indirect and induced employment, is also insignificant since there is no cooperation, there is no learning process and as I said above without which there will be no progress. Although, there are many question marks related to the impact of tourism on the local socioeconomic development in Busua, without doubt tourism has helped diversify the local economy mainly from a predominantly agricultural and fishing economy to some degree of secondary and service industries. With some improvements in better communication and cooperation between the different stakeholders within the tourism industry, tourism may benefit directly a larger part of the community. One of the most remarkable benefits is the improvements in the infrastructure which has had tremendous impact on the entire community. The industry has opened up and offered the local population new possibilities and new ways of securing income which in a way has contributed to the improvement of lives of many people in the village.

### **6.3 Final comments**

There is no doubt that the tourism industry is one of the largest contributors to world economic growth. Three different sectors of the economy contribute most to the Gross Domestic Product (GDP) in many countries and they are: the primary sector such as mining and agriculture, the secondary sector such as manufacturing and industry and the third which is the service sector (Gosh et al., 2003). Tourism industry is a service sector and in the past decades it has been making considerable contributions to world economic growth. The main tourism receiving countries are European and American countries. The modern tourism however is characterized by a growing trend to visit new emerging destinations in Third World Countries.

Tourism in the developing countries such as Ghana can benefit the economy in many ways. The gross contribution of tourism to Ghanaian GDP in 2005 was estimated at 5, 2 per cent, and it is projected to rise to 7, 4 per cent of the targeted GDP in 2010 (UNDP/WTO, 1995, p.234). Moreover, tourism is a labour intensive industry and has proved to generate considerable employment opportunities. The total number of employees in Ghana's tourism industry in 2005 was 161.000 thousand and it is projected to reach 307.000 employees in 2010 (ibid, p. 227). There is however an additional number of those working in unregistered tourism related enterprises. Tourism generates income that in turn generates further income in other sectors of the economy as employees spend their incomes for their daily needs. Despite this fact that tourist attractions are distributed throughout the country the impact of tourism in Ghana has been geographically uneven. There are few centres, Accra, Cape Coast, and Elmina that obtain most benefits from tourism industry. In order for tourism to benefit equally entire communities in rural areas, the initiatives must appreciate economic, environmental, social and human context in which they are going to be situated. These environments, as well as skills, knowledge, and aspirations of local people, key actors, and power structures are all important factors in decisions about development of tourism in local communities. All those involved in the tourism development project should feel "a sense of ownership towards the project" (Binns, 2009, p.33) and should be empowered by the involvement in the project. The decision making process should belong to the local level government and to the grassroots population.

The degree to which tourism development in the developing countries is able to accomplish its socio-economic objectives is dependent on whether there are foreign corporations involved in tourism, the relationships among external and local entrepreneurs, as well as the role, willingness and the ability of the state to influence investment strategies and channel revenues from tourist industry back into the community and then meet social objectives of local communities.

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# Appendix 1

## **QUESTIONNAIRE 1**

For employees in the tourist sector

I am interested in the changes and impacts that tourism has on the local community in Busua. I would like to ask you questions related to this topic. Your answers will be treated in confidence and will be used only in the thesis that I am writing as part of my Master's Degree in Geography at the University of Bergen.

When did you start doing this job? (How many years or months ago)

Why did you choose to work in the tourism industry?

What education have you completed?

Did you need any special training/qualifications to be able to get this job?

Do you have any working experience from before? (previous employer and position)

How old are you?

Where were you born?

If the informant was born outside Busua and the nearest villages: When did you move to Busua?

What was the main reason behind your decision about moving to Busua?

Are you married or living with someone?

Do you have children? (If yes: How many?)

Is any member of your family working in the tourism industry in Busua?

Where do you live? Own house-rent a house- rent a room-other

What are your major expenses?

How big is your salary? (how much approx. daily or monthly)

Are you satisfied with your income? Very good- good- enough- bad

Do you have chances for promotion/better position at your work place? What are the requirements?

Would you be willing to take additional courses to improve your skills? What kind?

Have you been offered any additional training opportunities from your employer? What kind?

Do you feel that the job in tourism industry has any impact on the quality of your life? (changed for better-worse) What are the impacts/changes in your life?

Who benefits and who does not benefit from tourism industry in your community?

Does the presence of tourism create conflicts with other livelihood activities in Busua? (Agriculture, etc...)

Do you think that the development of tourism in Busua has changed lives of local people in here? What are the positive and negative changes that occurred in your community?

# Appendix 2

## QUESTIONNAIRE 2

For employed/self-employed persons

I am interested in the changes and impacts that tourism has on the local community in Busua. I would like to ask you questions related to this topic. Your answers will be treated in confidence and will be used only in the thesis that I am writing as part of my Master's Degree in Geography at the University of Bergen.

When did you start doing this job/task? (How many years or months ago)

Why did you choose to do this job/task?

What education have you completed?

Did you need any special training/qualifications to be able to do this job/task?

Do you have any working experience from before? (previous employer and position)

How old are you?

Where were you born?

If the informant was born outside Busua and the nearest villages: When did you move to Busua?

What was the main reason behind your decision about moving to Busua?

Are you married or living with someone?

Do you have children?

Where do you live? Own house - rent a house - rent a room - other

What are your major expenses?

How big is your salary? (how much approx. daily or monthly)

Are you satisfied with your income? Very good — good — enough — bad

Have you been offered any additional training opportunities from your employer? (If the informant is employed by somebody else: What kind?)

Would you be willing to take additional courses/education to improve your skills? What kind?

Would you like to work within tourism industry here in Busua? If yes: Why?

Is any member of your family working in the tourism industry? If yes: Who?

Do you think that the presence of the tourism industry in Busua has any impact on the quality of your life? (changed for better-worse) What are the impacts/changes in your life?

Who benefits and who does not benefit from tourism industry in your community?

Does the presence of tourism create conflicts with other livelihood activities in Busua? (for example yours)

Do you think that the development of tourism in Busua has changed lives of local people in here? What are the positive and negative changes that occurred in your community?

# Appendix 3

Tourist Accommodation Services (hotels, guesthouses, etc...)

I am interested in the changes and impacts that tourism has on the local community in Busua. I would like to ask you questions related to this topic. Your answers will be treated in confidence and will be used only in the thesis that I am writing as part of my Master's Degree in Geography at the University of Bergen.

- 1. Describe your position
- 2. Describe your enterprise
- Hotel, guesthouse, etc.?
- Luxurious or budget accommodation?
- Capacity (number of beds?)
- When was it opened (year)
- Reason behind starting the enterprise?
- Where does the owner come from?
- How was the access or control over the land gained?
- How is the land tenure (agreement) system like?
- Who are the tourists? Country origin (domestic-foreign), type of tourists (short/long-

term, backpackers? Sun-seekers? Luxury-seekers?

- How long do they stay?
- What services do they use?

• Do they interact with the local community? Do you encourage your guests to interact with the local community? If yes, in which way? If no, why?

- 3. Employees:
- How many employees do you have?

• Where do your employees come from? Local (Busua)- Nationals (other places in Ghana) – Foreign (outside Ghana)

• What types of job opportunities or which positions do the local people have in this company?

- What skills are required of the people for jobs in this hotel?
- When looking for new employees, where and how does the process take place?
- How is the temporal (seasonal) distribution of employment in this hotel like?
- Do you maintain ongoing training of your employees?
- What will be the future significance of the enterprise as a generator of employment?
- 4. What is the economic contribution of this enterprise to the local economy in Busua?
- a. Income generation
- b. Community development (hospitals, schools, water, electricity, etc.)
- c. Infrastructure development
- d. Community income (local assembly)
- e. Improvement of the living standard of local people.

5. What do you think are the benefits from the tourism industry in Busua?

6. Do you utilize the local market in acquiring raw materials for your enterprise?

# **Appendix 4**

#### District Assembly

I am interested in the changes and impacts that tourism has on the local community in Busua. I would like to ask you questions related to this topic. Your answers will be treated in confidence and will be used only in the thesis that I am writing as part of my Master's Degree in Geography at the University of Bergen.

• What is your position here in the DA (tasks/duties?)

· Population number of the Ahanta West District; size; unemployment rate; etc.

· Population number of Busua community; size; unemployment rate; etc. (Any maps?)

• Is there any section here in the DA involved in development of tourism in Ahanta West District? What do they do?

· Are there any Tourism Development Plans for the district?

 $\cdot$  Do you have any special plans towards development of tourism in Busua?

 $\cdot$  What are the tourist resources in the district?

 $\cdot$  Do you have rules regulating tourist developer's access to resources such as land or others?

 $\cdot$  Do you cooperate with NGO's or other organisations in the field of tourism development?

 $\cdot$  Do you have statistics concerning tourist arrivals, tourist receipts, etc. for the District and for specific communities involved with tourism?

 $\cdot$  What is the economic contribution of tourism related businesses to the local economy in Busua?

a. Income generation

b. Community development (hospitals, schools, water, electricity, etc.)

- c. Infrastructure development
- d. Community income (local assembly)
- e. Improvement of the living standard of local people.

 $\cdot$  Do you think that tourism create conflicts with other livelihood activities such as fishing and farming in Busua, explain how?

 $\cdot$  Has the presence of tourism in Busua promoted any other investments from local people (whether tourist related or not) and what were they?

 $\cdot$  What is your policy towards tourism development in the district and in Busua for the future?