

**Mendel University in Brno**  
**Faculty of Regional Development and International Studies**

---



**Tourism and poverty reduction in Ghana: The Case study of Cape Coast**

BY

JASON OFORI

Dissertation Submitted to the Department Regional Development, Mendel University in Brno,  
Czech Republic

In Partial Fulfilment of the Requirements for the Award of Bachelor Degree in International  
Territorial Studies

MAY, 2016

**SUPERVISOR:**

Ing. Emmanuel Kofi Ankomah, Ph.D.

**Declaration**

I declare that I carried out this thesis: “Tourism and poverty reduction in Ghana: The Case study of Cape Coast” independently, and only with the cited sources, literature and other professional sources.

I agree that my work will be published in accordance with Section 47b of Act No. 111/1998 Coll. on Higher Education as amended thereafter and in accordance with the Guidelines on Publishing University Student Theses.

I understand that my work relates to the rights and obligations under the Act No. 121/2000 Coll., the Copyright Act, as amended, in particular the fact that Mendel University in Brno has the right to conclude a license agreement on the use of this work as a school work pursuant to

Section 60 paragraph 1 of the Copyright Act.

Before closing a license agreement on the use of my thesis with another person (subject) I undertake to request for a written statement of the university that the license agreement in question is not in conflict with the legitimate interests of the university, and undertake to pay any contribution, if eligible, to the costs associated with the creation of the thesis, up to their actual amount.

In Brno, 20.05.2016

.....

Signature

## **ACKNOWLEDGEMENTS**

First and foremost I am grateful to God Almighty for the good health and wellbeing that was necessary to complete this thesis. My deepest gratitude goes to Ing. Emmanuel Kofi Ankomah, Ph.D. my supervisor for the guidance, encouragement, helpful suggestions, comments and advice he offered me at all stages of my work. I am extremely thankful and indebted to Mr. Christopher Hunt for sharing expertise, sincere and valuable counselling and encouragement. I would use this opportunity to thank Ing. Bc. Samuel Mintah for his insightful advice in the writing of this book.

I wish to thank Ing. Samuel Antwi Darkwah, Ph.D.- Head of Department of Territorial Studies (FRDIS) and Vice-chancellor of Mendel University in Brno for his support and encouragement throughout my education and my stay in the Czech Republic.

## **DEDICATION**

I dedicate this thesis to my parents, Mrs Pauline Ofori, Mr and Mrs Vanderpuije, Mr and Mrs Hunt and also my siblings and family as a whole. Their outstanding encouragement and confidence in me have been my driving force over the years.

## **ABSTRACT**

The main objective of this research was to understand the processes through which tourism contributes to poverty reduction. However, it focused on specific objectives such as; to analyse the effects of tourism and employment on poverty conditions, and to explore the processes through which tourism can contribute to poverty reduction. The study made use of questionnaire and interview guide approach to obtain answers to achieve above objectives since it was exploratory in nature. Findings show that provision of employment opportunities, local sourcing of goods and services as well as philanthropic support were the major means in which tourism contribute to poverty reduction. Moreover, tourism development provides an opportunity for communities to benefit from social amenities such as communication, good road networks, hospitals and clinics, recreational facilities and electricity. However, it was found that development mechanisms of tourism are not always obvious and do not consistently function well especially when introduced in a social, economic and political institutional contexts of less developed countries.

**Keywords:** Tourism, Ghana, sustainable tourism, Poverty, Sustainable development, Poverty alleviation.

## **ABSTRAKT**

Hlavní cíl tohoto výzkumu bylo pochopení procesu, kterým turismus přispívá k redukci chudoby. Zaměřil jsem se však na specifické cíle jako je analýza efektů zaměstnanosti v oblasti turismu v nuzných podmínkách a průzkum procesu, kterým může turismus přispět k redukci chudoby. Studie využívá dotazníku a osobního rozhovoru pro získání odpovědí na dosažení výše uvedených cílů, jak již bylo v podstatě vysvětleno. Nálezy ukazují, že poskytnutí příležitosti zaměstnanosti, místní zdroje zboží a služeb stejně jako dobročinná podpora byly hlavními prostředky, kterými turismus přispívá k redukci chudoby. Kromě toho rozvoj turismu zajišťuje společnosti přínos v podobě sociálních možností jako je komunikace, dobré silniční sítě, nemocnice a kliniky, rekreační zařízení a elektřina. Nicméně bylo zjištěno, že mechanismy rozvoje turismu nejsou vždy samozřejmé a trvale nepůsobí dobře, obzvláště když představují sociální, ekonomické a politické institucionální kontexty menších rozvojových zemí.

**klíčová slova:** Ghana, cestovní ruch, udržitelného cestovního ruchu, Chudoba, Udržitelný rozvoj, Boj proti chudobě.

## Table of Contents

<b>1.0 INTRODUCTION</b> .....	1
1.1 Background to the study.....	1
1.2 The Ghana Tourism Sector .....	4
1.3 Problem Statement .....	6
1.4 Research Objectives of the Study.....	6
1.5 Thesis Outline .....	6
<b>2.0 LITERATURE REVIEW</b> .....	8
2.1 Tourism .....	8
2.2 Poverty .....	8
2.3 Poverty alleviation.....	8
2.4 Poverty alleviation through sustainable tourism .....	9
<b>3.0 RESEARCH APPROACH / METHODOLOGY</b> .....	11
3.1 Study Population and Sampling .....	11
3.2 Case Profile .....	11
3.3 Data Collection.....	12
3.4 Research Methods .....	12
3.5 Data Analysis .....	12
<b>4.0 RESULTS AND ANALYSIS OF PROCESSES THROUGH WHICH TOURISM CONTRIBUTES TO POVERTY ALLEVIATION</b> .....	13
4.1 Qualitative Results .....	13
4.2 Descriptive Results and Analysis .....	18
4.2.1 Demographics of Respondents .....	18
4.2.2 Economic Growth Indicators.....	20
4.2.3 Poverty Level Indicators.....	24
4.2.4 Tourism, Development, and Poverty Alleviation .....	26
<b>5.0 CONCLUSIONS AND RECOMMENDATIONS</b> .....	27
5.1 Findings.....	27
5.2 Qualitative Analysis .....	27
5.3 Quantitative Analysis .....	28
5.5 Recommendations .....	31
<b>REFERENCES</b> .....	32
<b>LIST OF ABBREVIATIONS</b> .....	36

## List of Tables

Table 4.1 Lodge Infrastructure of Cape Coast.....	19
Table 4.2 Children living in Households.....	23
Table 4.3 Adults Living with Respondents.....	23
Table 4.4: Employment Status of Respondents.....	25
Table 4.5: personal Savings of Respondents.....	27
Table 4.5: Tourism Sectors in Cape Coast.....	28



## List of Figures

Figure 4.1 Gender of Respondents.....	18
Figure 4.2: Marital Stautus of Respondents.....	19
Figure 4.3: Personal Savings of Respondents.....	22
Figure 4.4: Tourism Sectors.....	23

## **1.0 INTRODUCTION**

This section explains the background of the main study, the problem which necessitated the need for this study as well as the aims and objectives to be addressed in this study.

### **1.1 Background to the study**

Poverty has been one of the biggest challenge confronting world leaders over the years especially in developing countries and it continues to be. A World Bank report by Chen and Ravallion (2008) says that the developing world is very poorer than they thought, and no less successful in the fight against poverty. Available statistics shows that 95% of developing country population lived on less than \$10 a day (Ravallion et al 2008). Over a decade ago, it was estimated that the world inhabitants was about 6 billion, and out of that 2.8 billion representing 46.6 % live on less than \$2 a day as well as 1.2 billion people representing 20% live on less than \$1 a day (Emaad 2007).

Among the developing countries battling poverty, the sub-Saharan Africa dominates the most. Studies by Spenceley (2008) found on that a global estimation of about 1.2 billion people lives in extreme poverty, and 25% of these people lives in sub-Saharan Africa mostly in the rural areas. Available reports at the World Bank indicates that as that 2012, about 42.7% of the people living in sub-Saharan Africa lives under \$1.90 a day and this has resulted in many diseases and high infant motility. According to UNICEF, 22,000 children die each day due to poverty. And they “die quietly in some of the poorest villages on earth, far removed from the scrutiny and the conscience of the world. Being meek and weak in life makes these dying multitudes even more invisible in death.

Nonetheless, conscious efforts are been made to reduce this poverty level and its effect. Among those mechanisms and ways being used to solve poverty globally is through tourism. This is because tourism as a sector of every country is a potential tool to providing huge economic benefits especially in developing countries where a large population of the world's poor reside (Spenceley 2008). Tourism is a viable sector that can, if fully developed, enhance the reduction of poverty in the world today (Chifon 2010).Notwithstanding, there has been massive advocacy and proposals and from international development agencies and organisations, policymakers and civil societies on the importance of tourism in alleviating poverty especially to developing countries (UNWTO 2005). Evidence has shown that international tourist arrivals in the 48 least developed countries grew from 6 million to over 17 million between the periods of 2000-2010 (UNWTO 2011). The same report also tells that in the first four months of the year there were 8% fewer people travelling around the globe in

comparison to the same months of 2008. The numbers of international tourists are increased by 2% in 2008 over 2007 and by -4.2 in 2009 over 2008 as a result of the global financial crisis and economic recession but growth returned to international tourism in the last quarter of 2009 after 14 months of decline. (Kafle 2011).

Although the proportion of people living in poverty has declined by a quarter since 2006, the number of people living in poverty has only declined by 10%, from 7 million to 6.4 million people, which implicates that poverty reduction is not keeping pace with population growth (Cooke Edgar, Hague Sarah & McKay Andy, 2016).

Poverty levels are much higher among those working in agriculture. The agricultural sector has also shown significantly slower growth. It has not been seen as a sufficient policy priority. One aspect of this inequality has been the significant spatial diversity in the achievements in both monetary and non-monetary poverty. One dimension of this has been the significant disadvantage of the north of the country compared to the transition zone and the south, and this despite different policy measures to try to address this (McKay Andy, Pirttila Jukka & Tarp Fin, 2015).

## **EMPLOYMENT**

According to the statistic more than half (52.0%) of the currently employed persons in Ghana aged 15 years and older are engaged in the agriculture, forestry and fishing sector. About sixteen percent (15.9%) are employed in the wholesale and retail trade sector while less than a tenth (9.3%) are employed in the manufacturing sector. The proportion of males (57.1%) employed in the agricultural, forestry and fishing sector is higher than females (47.3%). On the other hand, females dominate the wholesale and retail trade sector (22.6% compared with 8.7% of males). There are three dominant industries: agriculture, forestry and fishing; wholesale and retail trade; and manufacturing accounting for over three-quarters (77.2%) of the employed population.(Ghana living standards survey 6, 2013).

In Ghana, the unemployment rate measures the number of people actively looking for a job as a percentage of the labour force.

According to the “Trading economics” unemployment Rate in Ghana decreased to 5.20 percent in 2013 from 5.96 percent in 2010. Unemployment Rate in Ghana averaged 8.82 percent from 2001 until 2013, reaching an all-time high of 12.90 percent in 2005 and a record low of 5.20 percent in 2013 (Trading economics, 2016).

Among the age groups, the rate of unemployment is highest within the age group 15 to 24 years (3.2%). This is also the case for males (3.3%) and females (3.0%) and in urban areas (7.2%) Unemployment rates are lowest among those aged 45 to 64 years for both males and females and in both urban and rural areas. (Ghana living standards survey 6, 2013).

## **TAXES**

The tax regime in Ghana has seen a number of changes in recent times. National taxes and levies apply in all ten regions of the country. In 2001, a new tax law, The Internal Revenue Act 2000 was passed to administer Direct Taxes. The Internal Revenue Regulations, 2001 was also introduced. There have been a number of amendments to the law and regulations. The only notable national levies in the country are: a) the National Health Insurance Levy of 2.5% imposed on certain goods and services; b) The National Fiscal Stabilisation Levy of 5% imposed on profit before tax of companies and institutions of certain listed sectors of the economy (abolished in 2012); c) The National Health Insurance Levy is administered on the lines of the value added tax (Sackin Richard, 2013).

Residents of Ghana or individuals who reside in Ghana for over six months are taxed on their worldwide income. Taxable income is the sum of all wages, benefits, capital gains, dividends, interest or discounts, or income from royalties. Tax rates range from zero to 35 percent on taxable income and are filed annually (Taxation in Ghana, 2006).

Unless specifically exempted in the law, companies, both resident and non-resident are required to pay tax on income relating to business and investment derived from, accrued in, brought into or received in Ghana after the necessary adjustment are made. The rate of tax generally is 25%. There are different rates applicable to certain companies. From 2012, mining companies are to pay corporate tax at a rate of 35%. The corporate entity is taxed separately from its shareholders. (Sackin Richard, 2013).

## **LOCAL GOODS**

First of all it needs to be stressed out that the foundation of the present structure of Ghana's economy was laid in the 1890s and the early 1900s, when the introduction of modern systems of mining and cocoa cultivation came to replace the small export trade in naturally growing forest products that had provided the basis of the economy up to that time. These two activities continue to dominate and dictate the pace of growth and the structure of the economy (Glewwe Paul & Twum-Baah Kwaku A., 1991).

As an agriculture-based economy, the food-processing sector accounts for more than 70% of the total exports. This includes export of fruits, vegetables, fish and seafood, palm oil and many others by small and medium scale enterprises.

Ghana is a country with extensive mineral and agricultural resources. The export economy is dominated by the sale of gold, cocoa and timber. The agricultural sector contributes about 36% to the GDP and employs approximately 60% of the labour force. The main food crops are cassava, yams, plantain, taro, rice and maize. The main exports crops are cocoa and coffee. Ghana is a mining country with gold mining playing an important part in its long history. Ghana is the second largest producer of gold in Africa, with at least twelve formal gold mines, seven of which are large open pit operations. It is the third largest producer of aluminum metal and manganese on the continent. Small amounts of diamonds are also found in Ghana. In 1994, small-scale miners recovered more than 10% of the 53 tonnes of gold produced in Ghana. The International Labour Organization (1999) estimated 50,000-300,000 people to be involved in small-scale gold and diamond mining in Ghana (Ghana, n. d.).

## **1.2 The Ghana Tourism Sector**

Ghana's tourism industry sector has been long been seen as a major potential engine of growth and development since the 1970s. The industry is managed by the ministry of tourism and its mission is "advance and develop Ghana as an internationally competitive and high-quality destination where the tourism industry, besides producing macroeconomic benefits, explicitly contributes to poverty reduction and conservation of the country's cultural, historical and environmental heritage" (Mofep.gov.gh, 2016). The following are the core function of the ministry:

- Policy formulation, planning and programming for the development and promotion of Ghana's tourism in the domestic, regional and international markets:
- Regulation and control of the tourism industry including registration, classification, licensing and application of standards for accommodation, catering and travel and tour enterprises, etc
- Marketing tourism both domestically and internationally including participation in tourism trade fairs and exhibitions
- Conducting policy and operational research and studies on tourism trends
- Developing of Human Resource within the private and public sectors to effectively promote tourism

- Liaising with other government Agencies, international donor assistance agencies, the private tourism sector and non-governmental organisations on matters concerning tourism

The historical landmark of the country makes tourism very attractive to foreigners. Ghana is located on the Gulf of Guinea in West Africa, Ghana has an average temperature of 26°C to 29°C, a tropical climate and a total land area of about 238,540 square kilometres with 540 kilometres square coastline (Ahiawodzi 2013). The first plan to guide in the development of the tourism sector was first formulated and launched by the national tourism development in 1995 for the period of 1996-2010. The plan sought to concentrate on tourist arrivals; receipts-foreign exchange generation, employment creation, income generation and fiscal impact i.e. tax revenue generation.

Studies have shown that there has been a remarkable contribution of the tourism industry into the development of the Ghanaian economy. The direct contribution of the Travel & Tourism industry to Ghana's GDP in 2013 was US\$1.34 billion, representing 2.8% of GDP (Frimpong and Bonsu 2015). A report also by ISSER, (2010) also shows that the tourism industry is currently the third largest source of foreign exchange in the country aside gold and cocoa, with earning or receipts of US\$1,8750 million by the end of 2010. The Ghana tourist Board also in 2008 reported that earnings from the tourism industry to the GDP of the country have been increasing steadily in the past three years, from 4.9% of GDP in 2005, to 5.8% in 2006 and to 6.3% in 2007.

Tourism in Ghana today is currently focused on cultural tourism which is complemented with attractions such as historical heritage sites, game viewing in national parks and historical heritage tourism which are more into the return of Africans in the Diaspora to their native land on the continent with Ghana acting as a gateway (Ahiawodzi 2013). Statistical results by the Ghana Immigration Service GIS in 2011 indicate that the leading sources for international visitors were Nigeria (19%), USA (13%), UK (9%), Cote d'Ivoire (5%), and 3% each for Canada, Germany, India, Netherlands, and South Africa. The Ghana Tourism Authority statistics for 2009 show that the top three reasons for visiting Ghana were business, conferences, study/training (40%), visiting friends and family (25%), and holiday. travel (20%). The tourist sites that attracted the most visitors (domestic and international) in 2013 were Kakum National Park (184,000), Cape Coast/Elmina Castles (157,000) Kwame Nkrumah Memorial Park (93,000), Kumasi Zoo (68,000), Wli Waterfalls (63,000), and Manhyia Palace Museum (51,000) (Frimpong-Bonsu, 2015).

### **1.3 Problem Statement**

Over the years, tourism has been identified as an economic tool by many international organisations for alleviating poverty PPT Partnership, Overseas Development Institute (ODI), Netherlands Development Organisation (SNV). Extant literature has attributed this as a potential tool to help developing countries in particular to alleviate poverty (Ashley et al 2001; Blake et al 2008; Akama and Kieti 2007; Carbone 2005; Ashley et al 2001; Rogerson 2006).

In Ghana for example quite a number of writers have sought to write on the tourism industry. In 1996, Bruner conducted a research on the representation of slavery and the return of the black diaspora as a way of portraying the tourism industry in Ghana. Essah 2001 also researched on the relationship between Slavery, Heritage and Tourism in Ghana by examining the past and present of the approximately 80 slave trade-related structures erected by Europeans on the shores of the Gold Coast (now Ghana) in the sixteenth and nineteenth centuries. In 2002, Sirakaya et al also assessed the determinants of support for tourism development in two adjacent communities, Cape Coast and Elmina, in the Central Region of Ghana, which stand to benefit the most from tourism development projects.

The Ghana poverty index shows that central region is the third poorest region in Ghana (Statsghana.gov.gh, 2016) at the same time the central region has been identified as the most regions in Ghana with the most tourist sites. One finds it curious why a region with the most tourist site should be the third region in poverty. Also, there has been little research on the contribution of tourism to poverty alleviation in the central region of Ghana Akyeampong, 2011; Harrison, 2008; Tucker, and Boonabaana, 2012. The closest an author has come on this study topic is Holden et al 2011. It is this gap that this research sought to address.

### **1.4 Research Objectives of the Study**

The main objective of this research is to understand the processes through which tourism contributes to poverty reduction. Some of the research areas to be considered include:

- To analyse the effects of tourism and employment on poverty conditions.
- To outline the processes through which tourism can contribute to poverty reduction.

### **1.5 Thesis Outline**

This thesis is organised as the first chapter as presented above involves the introduction to the research topic, the research objectives and research questions. The second chapter covers the literature review and presents literature that is related to the study of this research. The third

chapter presents the method and materials used for this study thus, methodology and the method used in the data collection. Chapter four addresses the empirical findings from the research which are presented and analysed in the light of the theoretical frameworks that are outlined in the literature review. In the final chapter, conclusions are drawn and some suggestions and recommendations are made.



## **2.0 LITERATURE REVIEW**

This chapter examines poverty and related concepts that have been widely applied in developing literature and critically analyses the different definitions.

### **2.1 Tourism**

A worldwide definition of tourism has been given by the UN World Tourism Organisation (UNWTO 2001) as the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes (Delishe & Venne 2005; Mthembu 2011). Another definition but quite similarly has also been given as temporary short-term movement of people to destinations outside the places where they normally live and work (Richards 2005). But generally, tourism has been referred to as the broad national framework which identifies tourism's essential characteristics and distinguishing tourism as a similar and often different phenomenon (Page & Connell 2006).

### **2.2 Poverty**

Poverty has been defined by the Ghana Statistical Service (GSS) as the state of economic, social and psychological deprivation occurring among people or countries lacking sufficient ownership, control or access to resources to maintain acceptable living standards' (Statsghana.gov.gh, 2016). Also, in 2005, Makoka & Kaplan explained that poverty can be conceived as absolute or relative, as lack of income or failure to attain capabilities. The European Commission has however suggested that in defining poverty, it should rather include the deprivation of basic capabilities and lack of access to education, health, natural resources, employment, land, credit, political services and infrastructure (Harris 2004; Mthembu 2011). But the definition of poverty can be broadened as suggested by (Shackleton 2005 ;Gambiza, Nel & Rowntree 2008) to include deprivation of well-being related to a lack of material income or consumption , low levels of education and health, poor nutrition and low food security ,high levels of vulnerability and exposure to risk and a profound lack of opportunities to be heard.

### **2.3 Poverty alleviation**

Poverty alleviation is a mechanism to get the poor to cross a given threshold of income or consumption (Mthembu 2011). It is a sustained increase in productivity and an integration of the poor into the process of growth (Wilson, Kanji & Braathen 2001). The concept of poverty alleviation is, therefore, a term associated with anti-poverty campaigns that are welfare focused and the term 'alleviation' means to make something less severe or more tolerable

(McCaston & Rewald 2005). Poverty alleviation also means reducing the proportion of people living in extreme poverty or those living on less than US\$ 1 a day (Harris 2004).

Most of the definitions seen on poverty include a monetary value. But to gain a proper understanding of poverty it is important to know how poverty prevails in sub-Saharan Africa. The UNDP (2006) measures extreme poverty as a reality for one in every five people in the world today. The UNDP again suggest that one billion people who do not have access to safe drinking water and 2.4 billion people lack access to improved sanitation. Diseases such as AIDS, tuberculosis, and malaria kill children every day and Five hundred thousand women die every year in pregnancy and childbirth, and this number increases one hundred fold for those who live in Sub-Saharan Africa (UNDP 2006). One hundred and fifteen million children do not attend primary school. In Sub-Saharan Africa, 57% of children are enrolled in primary school, but only one out of every three will complete their primary studies (Gartner 2008). One in every six adults across the world is illiterate (UNDP 2006). A further two million people die each year from tuberculosis, another one million from malaria and a lack of education are consistently experienced by the impoverished (Gartner 2008).

#### **2.4 Poverty alleviation through sustainable tourism**

Evidence from studies has suggested that, in some developing countries, tourism constitutes the largest source of foreign exchange revenues making it the major service sector where developing countries are able to maintain trade surplus and a positive balance of payment (Mbaiwa 2005; Neto as cited in Koenig 2010; Spenceley & Meyer 2012). Also, governments, development agencies, non-governmental organizations and private sector not only consider tourism as a development vehicle, they also assume that tourism can reduce poverty and improve livelihood, mainly of the rural areas or the developing countries (Zhao & Ritchie 2007; Spenceley & Meyer 2012; Erskine & Meyer 2012 and Fleischer & Felsenstein 2000).

Tourism provides employment opportunities by diversifying and increasing income which reduces the vulnerability of poor (UNESCAP 2003). Over the years, tourism has been used as tools of development and the means of poverty alleviation. It creates business opportunity, employment opportunity, income source, and improves the livelihood options in the tourism destination (Kafle 2011). Tourism development is identified as a prioritised economic sector of the majority developing countries in the world (ILO 2011). Tourism creates varieties and multiple benefits: the creation of employment, generating income source, human development, capital formation, entrepreneurship development, infrastructure development, environmental sustainability and tourism choice which offer poverty alleviation in the

developing countries (Kafle 2011). It creates an opportunity for overall national growth and development further poverty alleviation. The ILO, 2011 goes ahead to suggest that;

*“Tourism for Development aimed in particular at assisting LDCs, as well as other countries, to develop a tourism sector committed to national growth and local benefits that generates income and decent employment for communities while preserving the environment and culture of the destination”.*

The tourism industry is growing as a sustainable development engine for the many countries and it is as well the leading sector of the economy as a service business and becoming the major source of the foreign currency earning, the source of income and employment for them (Kafle 2011).

### **3.0 RESEARCH APPROACH / METHODOLOGY**

This chapter represents (methodology) is used to analyse the effects of tourism on poverty reduction. If tourism is a mechanism for poverty reduction, then it can be expected that tourism growth will reflect a reduction in poverty levels comprehensively defined.

There are two paradigms of conducting research. These are qualitative and quantitative paradigms. The researcher prefers to use both methods of conducting research and this is because the researcher wants to unearth the how tourism can alleviate poverty in Ghana.

#### **3.1 Study Population and Sampling**

The target populations of the study were all Districts. According to Kumar (2005) when conducting research one cannot study everybody, everything, everywhere, one usually selects a small people, nested in depth. The method of study used for this study was non- probability sampling and purposive sampling technique. This is because expert information from people who are involved in the porting is needed to conduct this study and not from anybody at all. In addition, the researcher had limited knowledge of the population from which the sample was chosen.

#### **3.2 Case Profile**

The Cape Coast Metropolitan is also home to the regional capital of Central Region. The Metropolitan forms part of the Twenty (20) Metropolitan, Municipalities and Districts in the Central Region of Ghana (Ghanadistricts.com, 2016).The Metropolitan is bounded on the south by the Gulf of Guinea, west by Komenda / Edina / Eguafo /Abrem Municipal, east by the Abura/Asebu/Kwamankese District and north by the Twifu/Hemang/Lower Denkyira District (Ghanadistricts.com, 2016). The Metropolis covers an area of 122 square kilometres and is the smallest metropolis in the country (Ghanadistricts.com, 2016). The Administrative capital is Cape Coast.

Cape Coast (Ghana) is situated 165 km west of Accra on the Gulf of Guinea. It has a population of 82,291 (2000 census). By now there are for sure more than 100.000 as trough the OIL find nearby in Sekondi-Takoradi, many Ghanaians left their homes in hope to find work in the Western or Central region. From the 16th century the city has changed hands between the British, the Portuguese, the Swedish, the Danish and the Dutch. The city was originally known as Oguaa (Ghanaliveradio.sharepoint.com, 2016).

Founded by the Portuguese in the 15th century, Cape Coast grew around Cape Coast Castle, now a World Heritage Site. It was converted to a castle by the Dutch in 1637, then expanded by the Swedes in 1652 and captured by the British in 1664. The British based their Gold

Coast operations in the town until Accra became their capital in 1877 (Ghanaliveradio. sharepoint.com, 2016).

### **3.3 Data Collection**

A multi-methods approach was used in this study, as both qualitative and quantitative methods of data collection and analyses were used to address the research questions. The mixed-methods approach which refers to a situation in which two or more methods are used to address the same research question, at the same stage in the research process, and with the same research participants; the multi-methods approach is one in which quantitative and qualitative methods are used to address different facets of the research question, or to address the same question from different perspectives (Philip, 1998).

### **3.4 Research Methods**

Five the research method, different participatory techniques were used in the collection of qualitative data: semi-structured interviews, unstructured interviews, transect walks, photographs, and the observations of the researcher. Semi- structured interviews are interviews in which the researcher has a pre-established set of questions.

### **3.5 Data Analysis**

Following the fieldwork phase of this research, the researcher manually transcribed all digitally recorded interviews. Qualitative data were then organised using open, axial, and selective coding techniques (Strauss & Corbin 1998). Six semi-structured interviews that were conducted with lodge owners were selectively coded, in order to analyse data specific to lodge employment conditions and the tourism development mechanisms. These interviews were then grouped with all interviews and were analysed using open and axial coding techniques.

Quantitative data have been analysed using descriptive, parametric, and non-parametric statistics and with the help of SPSS software. Descriptive statistics have been useful in explaining the characteristics of the sample population.

## **4.0 RESULTS AND ANALYSIS OF PROCESSES THROUGH WHICH TOURISM CONTRIBUTES TO POVERTY ALLEVIATION**

This chapter presents and focuses on the qualitative and quantitative results based on the evidence collected using the research approach described in the previous chapter. The research used qualitative data to address the tourism development mechanisms along with additional themes that provide insight into the context of the case study site. Quantitative methods have been used to analyse the mechanism of employment, with greater depth and complexity. Together these methods, while representing different samples of the population, provide a comprehensive description of the case study.

### **4.1 Qualitative Results**

The research used seven mechanisms to measure and analyses this sections. These mechanisms were employment, local sourcing of goods and services, taxes, infrastructure, and philanthropy. These mechanisms were used because it is assumed that tourism developments are based on them.

#### ***Employment***

With the first mechanism (employment) the research used semi-structured interviews and the results revealed important information on the extent, nature, and conditions of employment in the lodging places of the tourist sites in cape coast. All the lodging places in the tourist site in the cape coast municipality have employed quite a number of people. It was revealed from the interviewees that, all of the employees were Ghanaians. Five of the owners of the lodging sites at the tourist site in cape coast reported that about 60% of their employees are originally from the cape coast municipality.

Owners of the Lodging places in Cape coast were questioned (see Appendix) on the range and extent of benefits offered to their employees. It was revealed that four of the owners give one day off paid vacation every week, which is rotated among the employees. Two lodge owners reported that they do not offer paid day off for their employees. Five owners also revealed that they have a group medical insurance which covers the medical expenses of employees and one lodge owner noted that this coverage extended to the families of employees. Such coverage was offered either formally, informally, or in the case of one lodge, as an advance from their employees' wages. Two interviewees noted that school fees were paid on behalf of the lodge towards the education of employee family members. Loans or wage advances were offered by the lodge owners at five of the establishments. Four of the

respondents mentioned the availability of maternity leave. Only one respondent noted the possibility of offering a pension but humorously replied that this would only be made available to a long-term employee of approximately fifteen years.

Funeral fund for employees was the most notable benefit which was offered to employees in the event of the death of a family member. Generally, this takes care of costs such as transportation cost and coffin expenses for an employee or a family member of an employee. It was further found through personal observation and conversation that labour standards and regulations are frequently flouted because it seemed ambiguous to be understood by lodge owners. Few respondents (approximately 5%) admitted they were not aware of the existence of any regulations and standards that regulate labour issues in Ghana. One opinion leader stated in an interview that most lodge employees were unaware of standards and rights regarding their employment. Although the current minimum wage in Ghana stood at GHC 8 (Ministry of Employment and Labour Relations, 2016), most respondents gave varied responses when asked. It was observed that mostly lodge do not update themselves in that regard and therefore pay their employees either more or less of the prevailing minimum wage for a full day's work.

In addition, other employment conditions of work which was examined during the study seemed to be consistent between respondents. It was found that, on average shift duration of eight hours per day, employees had six days of work with a day off. Mostly, there were broad ranges of employment positions. Staff includes bar staff, chefs, drivers, laundry attendants, receptionist, housekeepers accountants and housekeepers. The majority of above-mentioned staffs were recruited to work on a full-time basis with an average salary ranging from GHC240 to GHC1, 000 per month.

General perception of local chiefs and some community members suggest that employees were underpaid by lodge owners. However, it was uncertain whether these perceptions were grounded on prevailing minimum wage in Ghana of GHC8 per day or based on comparison with perceived income of lodges in the locality. One of our Key interviewee who doubled as a construction manager and former lodge owner opines that low salaries of tourism industry employees were attractive relative to unemployed.

Since the construction of lodges in Cape Coast, most employees had worked as a permanent staff and it was found that an employee had worked for one lodge for about twenty years. This was attributed to lack of job in the locality as explained by an interviewee (Key informant interview, 2016).

### ***Sourcing of Local Goods***

Lodges in Cape Coast source most of their goods and service they require within Ghana excluding luxurious ones. It was found through an interview that goods were sourced from nearby towns such as Winneba, Elmina, Yamoransa and Moree. However, bad road network linking villages of the above-mentioned towns made transportation of goods and services difficult and costly. Energy fuels such as charcoal and wood, building materials are among supplies that could be sourced within Cape Coast. Moreover, food supplies such as fish, banana, tomatoes, mangoes, cabbage, meats, cheese, pasta and rice were also sourced within Cape Coast and the nearby towns. Goods that are imported outside of Ghana include special beers, building materials such as, tiles, cement, electrical appliances as well as recreational gadgets.

### ***Taxes***

In the responses gathered from interviews regarding payment of taxes by lodge owners, it was found that they pay varied tax rates despite consistency in types of taxes. Lodge owners pay their own income tax as well as that of their employees under the Pay As You Earn (PAYE). In addition, Value Added Tax VAT and NHIS levy are paid as a surplus tax. In Ghana, Ghana Revenue Authority is the responsible for the collection of all these taxes. In addition, local fees such as licensing fees were paid annually to Cape Coast municipal assembly. Income tax rate on personal income in Ghana was 25% and VAT was 17.5% (Ghana Revenue Authority, 2016). VAT was applicable to all goods and services within the lodge. Based on limited information on taxes, it was difficult to quantify and compare entire of taxes generated in tourism in Cape Coast alone. However, three local chiefs who among our key informants lamented that the locality does not benefit from these taxes (Key informant, 2016). Despite these sentiments by the chiefs, two district government officers revealed in an interview that, such taxes are distributed to benefit the entire country

### ***Infrastructure***

As depicted on the map of Ghana, Cape Coast lies along the coastal line of Ghana. Before the construction of lodges, very few structures were identified in the area, it, therefore, became necessary to renovate and expand them towards the coast. Due to changes in ownership, in the past, it was difficult to get information on existing structures prior to the construction of new ones. In Ghana, Cape Coast is one of the popular tourist towns for domestic vacation purpose for most Ghanaians who are in middle class and professionals considered as social elite. In this sense, there was infrastructure already built to cater for that purpose.



Comprehensive information on infrastructure existed before lodge construction, infrastructure built, renovated as well as those that the community can access are provided in Table (xxx) below:

**Table 4.1 Lodge Infrastructure of Cape Coast**

<b>Lodge</b>	<b>Infrastructure before</b>	<b>Infrastructure built (including extended and renovated)</b>	<b>Infrastructure accessed by community</b>
1	H/R	WTP/E/R/CLT/H	H/R/E
2	E/R	SS/E/R/CLT/H	H
3	T	CLT/R/E/	W/E
4	ER	SS/E/R/CLT	
5		CLT	

*WTP=Water Treatment Plant, SS= Sewage System, R=Road, CLT=Communication Lines/Tower, E=Electricity, H=Hospital*

*Source: Authors Survey results (2016)*

Interviews conducted with lodge owners revealed that they renovated and extended existing road networks to make their access to their lodges. In most cases, community members joined in an effort to repair the road. Water supply in Cape Coast has been very challenging over the years, although past governments have put in much effort, evidence from interviews and observations suggest it is still not enough. As a result, lodge developers have extended existing water supply by installing piped water in the localities they exist. In addition, it was found that one of the lodges has installed a water treatment plant and two other lodge owners confirmed installation of a sewage system. However, the residents were allowed access to water at a fee of GH1 per bucket. Healthcare facilities prior to establishing lodges were very few but the government of Ghana had built additional two in the vicinity and our informants hinted of plans of establishing community clinics to complement activities of the main healthcare facilities (Key informant, 2016). Prior to these, it was revealed by three key informants that, pregnant women in the locality travelled far distance before they could have access to a healthcare facility.

Electricity had been in existence near many of the lodges before the construction of recent ones. Moreover, it was found that effort by lodge owners to have electricity lines extended to their facility also increased access to residents who were willing to enjoy electricity. Communication lines (landlines) were built and further extension works have been carried out at various lodges in the locality; this excludes individual mobile lines. However, by

building towers, the quality of communication services has been enhanced in Cape Coast locality and this aid tourism in the area.

### ***Tourists as Philanthropists***

The main tool used by lodge owners to enable tourist to learn about poverty in Cape Coast is the promotion of volunteerism. They took leadership roles in promoting volunteerism by seeking out slightly older mature customers who already have valuable nurtured skills to indigenous groups and projects. Some lodge owners stated their plans of connecting volunteers with community projects through the establishment of volunteer centres and a website. It was further confirmed negotiations between lodge owners are yet to begin between lodge owners and Cape Coast Municipal Assembly to allow tourists' volunteers stay legally for a period in excess of three months granted them. Expectations were that, if their request is granted, it will enhance expansion of their (tourists) roles to other bigger community projects. This will offer more time to share their skills and expertise with local people which may eventually lead to more sustainable projects. Positions that volunteers usually occupy include but not limited to: caretakers, medics, nurses and surgeons.

Moreover, other volunteer groups assisted the community in other activities with covered varied tasks; it includes sharing of new approaches to learning, farming and fishing and business planning. Major projects embarked on by volunteers include school construction, agriculture production and wildlife conservation. Volunteer tourists also got involved in community projects such as promoting of HIV awareness, caring for orphans, textile making and solar drying. These modules impacted positively on the community and helped to alleviate the poverty level of the communities in Cape Coast. It was found that a number of lodge owners had served as volunteers in Cape Coast before investing in their lodge. This contradicts tourism literature that shows that lodge owners in developing countries are only interested in profit and exploitative purposes.

Furthermore, the culture of volunteerism has been promoted in Cape Coast on two varied approaches in local lodges. Firstly, provision of food and accommodation at a discount as a means of assisting volunteers. Secondly, lodge owners reserve space within their lodges to enable local orphans to take part in educational and recreational (Key informants, 2016). Moreover, volunteers advocated and facilitated the donation of educational materials from partner countries abroad. As a result, teaching and learning activities were enhanced leading to the improvement in the practice of speaking the English language. Four lodge owners had provided initial capital as donations and loans to enable the commencement of some key

community projects. Others also donated materials such as solar panels, building materials such as cement and wood to aid the construction of a local community school and other social amenities.

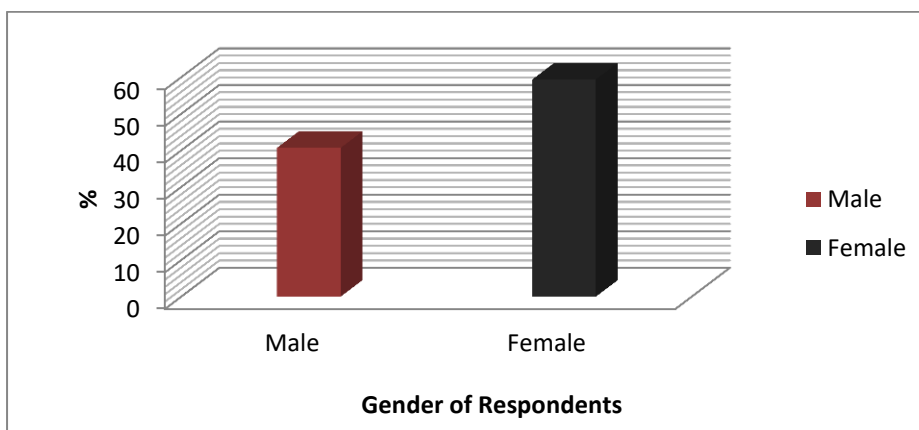
#### 4.2 Descriptive Results and Analysis

This section presents an analysis of the study designed to conduct an empirical evaluation of the most general argument, that poverty can be reduced through tourism since it creates employment. In this study, 150 participants were selected from the Cape Coast district of Ghana. Description, as well as detailed analysis of the sample, is done from the perspective of the various variables used to capture poverty conditions.

##### 4.2.1 Demographics of Respondents

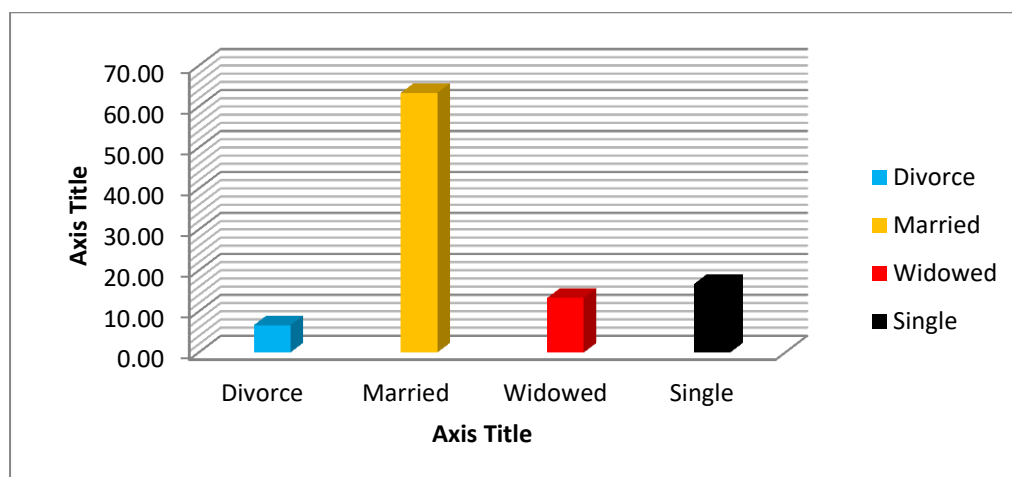
As presented in Figure 4.1 below, the gender of the sample indicates that 40.67% of respondents were male while female accounted for 59.33%. Furthermore, figure 4.2 also presents the marital status of respondents which indicate that 63.33% of sample respondents were married people while 6.67% divorced. Moreover, 16.67% were single while 13.33% were widows

**Figure 4.1 Gender of Respondents**



*Source: Authors Survey results (2016)*

**Figure 4.2: Marital Status of Respondents**



*Source: Authors Survey results (2016)*

Findings further revealed that children belonging to respondents fell within the range of one to 10 where majority constituting 76.67% fell with zero to four while five to ten also recorded 23.33%

**Table 4.2 Children living in Households**

No. of Children Living in Households	No	%
00-04	115	76.67
05-10	35	23.33
Total	150	100

*Source: Authors Survey results (2016)*

Furthermore, finding indicate that, at least two adults lived in respondents household and this constituted 90% while 10% of the respondents show only one adult lived in the household.

**Table 4.3 Adults Living with Respondents**

Adults Living with Respondents	No	%
Two Adults	135	90
One Adult	15	10
Total	<b>150</b>	<b>100</b>

*Source: Authors Survey results (2016)*

A further probe to find out the number of people who supported their household with financial resources showed that seventy-nine percent (79%) recorded one person of the household while, while twenty percent (20%) reported more than one person. However, only

one percent (1%) recorded none. The majority of the respondents were native of the cape coast town (85%) while other respondents (23%) indicate that they were originally from nearby towns. It was found only two percent (2%) were from other West African countries. This aspect of information gathered is very relevant for future a study that investigates the comparison of tourism and poverty indicators among people originally for the study area and those who have settled as a result of relocation.

#### **4.2.2 Economic Growth Indicators**

Under this section, various economic indicators were used to assess the prevailing economic growth and conditions of respondents. Important aspect covered under this investigation include employment, employment benefit, daily income savings and debt.

In this study, an issue of separation emerged within the sample, thus from tourism industry workers and non-tourism workers. In this direction, respondents were asked whether they work in the tourism industry, however, some have perceived themselves to be non-workers of the tourism industry but they were indirectly involved one way or the other. For instance, respondents who worked at restaurants could not tell whether they were part of the tourism industry.

#### ***Employment***

Findings presented in Table 4.2 below show that's majority of respondents constituting (60%) were engaged on full-time work basis while eleven percent (11%) were also employed permanently. Other who worked on temporal, casual, contract and part-time basis recorded proportions each not more than 10%.

**Table 4.4: Employment Status of Respondents**

Employment	No	%
Temporal	15	10.00
Casual	9	6.00
Permanent	17	11.33
Contract	7	4.67
Full time	90	60.00
Part Time	12	8.00
Total	150	100

*Source: Authors Survey results (2016)*

On average, workers spent eight hours at work and majority (60% permanent workers) work for seven days a week. The third largest group, (10% temporal workers) work for six days in a week. It was found that seventy percent (70%) of the sampled respondents held only a single job while 10% had at least two jobs at a time.

### ***Employment Benefits***

Findings suggested that it was very difficult to secure a paid vacation, thus out of the sampled population, only ten percent (15%) had paid vacation as at the time of the study. However, only 17% had an unpaid vacation. It was further revealed that workers do not have any formal health care coverage program and it was evidenced by 94% of results gathered. Only 8% percent responded affirmatively to this question. Despite these, it is important to mention that, as a result of these, most workers had subscribed to the nation's health insurance policy to cover them and family members. The outcome of the pension plans was no different from the above findings, thus overwhelming majority (90%) of respondents showed that they do not have a pension plan as at the time of the study. This has serious implication for the retirement of workers.

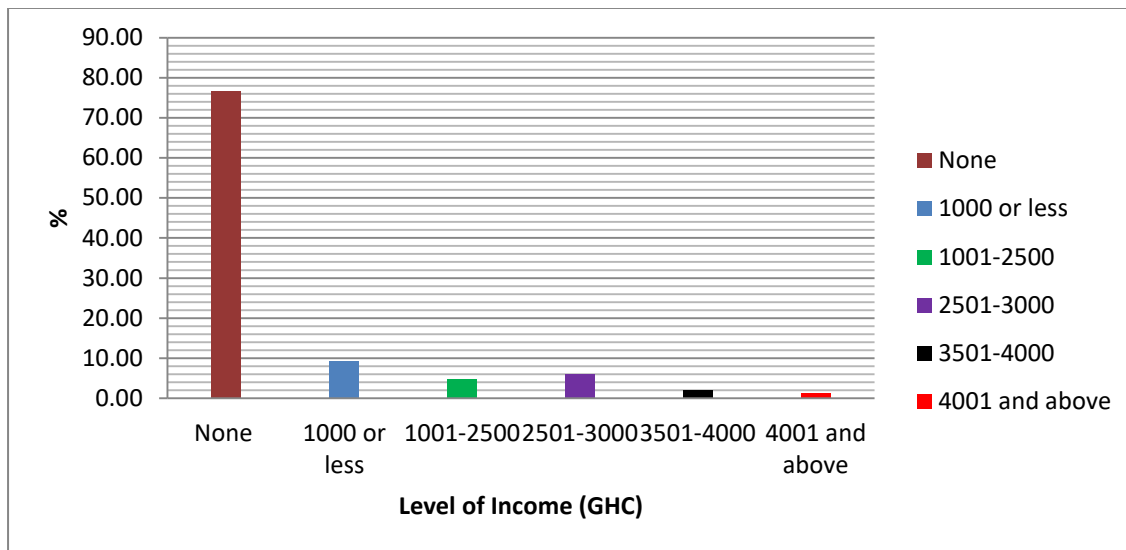
### ***Daily Income of Workers***

It was very hard to obtain responses for this question since workers were unable to determine the daily amount they may receive should salary, wages and stipends paid on the daily or weekly basis. However, in such cases, the workers assumed that daily wage rate of GHC 7 for casual workers and non-permanents staff. It was found that 20% of permanent staff who were skilled receives monthly salary not less than GH1, 500. This indicates that about the remaining 80% receives salary less than GHC1, 000 which depicts the high degree of variance, however, this trend is very common among less developed countries (LDCs) which shows a high level of inequality.

### ***Savings and Debt***

Results presented in Figure 4.3 reflects and suggest the true savings culture of people in less developed countries where the majority are still yet to learn how to save a proportion of their income.

**Figure 4.3: Personal Savings of Respondents**



*Source: Authors Survey results (2016)*

From Figure 4.3 above, which is a distribution of savings level of respondents it could be found that majority of workers do not save part of their income in order to meet future consumptions of goods and services. Table 4.3 below show that 76.6% do not save at all while a maximum of 9.67% saves not more than GHC1,000. With the distribution of the histogram, the shape showed a positively skewed and inverted and two major features that are less common or extreme the context of developed countries. Despite histogram epitomise ordinal level data; a positive skewness, as well as high variability, was characteristic of nearly all ratio level data which has which has eventual consequences for application of parametric and non-parametric test.

**Table 4.5: personal Savings of Respondents**

Savings	No	%
None	115	76.67
1000 or less	14	9.33
1001-2500	7	4.67
2501-3000	9	6.00
3501-4000	3	2.00
4001 and above	2	1.33
Total	150	100

*Source: Authors Survey results (2016)*

## Tourism Sectors

Table 4.4 presents the various sectors in the tourism industry which are generally known in Ghana. Out of the total number of people who work in the tourism industry, 33.11% and 26.49% work in the accommodation and food and beverage sector respectively. Transportation sector also recorded 19.21% while tour guide and artisan/carver also recorded 7.95% and 2.65% respectively.

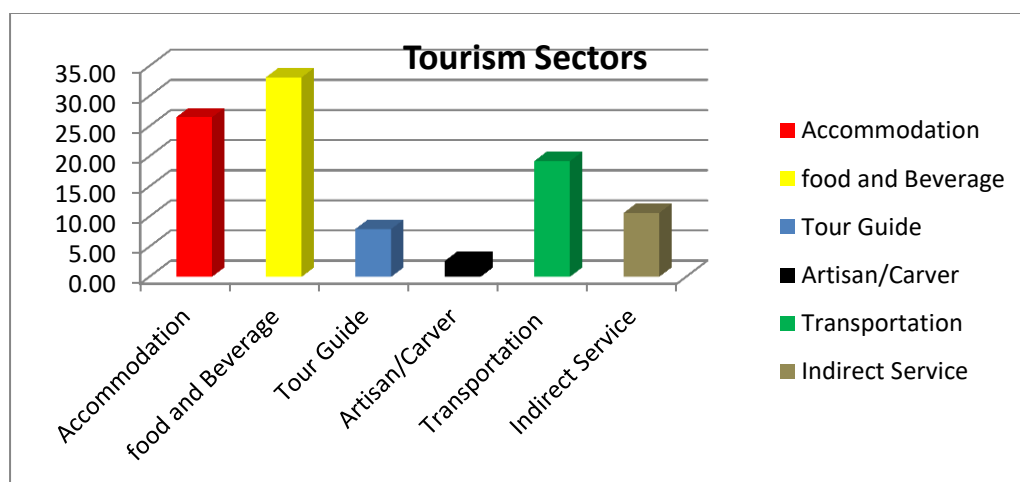
**Table 4.5: Tourism Sectors in Cape Coast**

Tourism Sectors	%
<b>Accommodation</b>	26.49
<b>food and Beverage</b>	33.11
<b>Tour Guide</b>	7.95
<b>Artisan/Carver</b>	2.65
<b>Transportation</b>	19.21
<b>Indirect Service</b>	10.60

*Source: Authors Survey results (2016)*

Workers whose activities were not directly related to tourism recorded 10.60%. These include workers who provided a paid service that did not exist solely for tourists but for both local people and tourists. Figure 4.4 below shows the distribution of the various sectors of tourism examined.

**Figure 4.4: Tourism Sectors**



*Source: Authors Survey results (2016)*



## **Tourism Income**

Findings of tourism workers income assessment show that 80% of respondents record an increase in their income levels. However, this did not fully reflect savings of workers as only 20% of them experienced changes in their savings while 60% had no savings irrespective of the changes.

### **4.2.3 Poverty Level Indicators**

Poverty level indicators that were examined in the study include access to education, access to healthcare, living standard, communication, transportation and security.

#### ***Access to Education***

Findings show that 85% of respondents had children who attended school in past year. However out of the remaining 15% whose children did not attend school for the past year, 64%, and 16% were are elementary and secondary level respectively. Respondents whose children attended training college or university recorded 20%. Compared to earlier findings at the national level, these findings are consistent with UNDP (2007). Moreover, it was revealed that apart from children who stay at boarding school, children cover an average of 2.11 kilometres to school every day which is typically reached by foot. This comes with average monthly expenditure (including school fees and supplies) which was GHC350 (100 USD) per household.

#### ***Access to Healthcare***

In this study, findings showed on average, members of households surveyed visited health clinics six times in the past year. In this sense, respondents covered an average distance of 7 kilometres by foot. In the past year, 81% of respondents indicated that they had household members who were diagnosed with Malaria (62%), Cholera (12%), and Bilharzia (5%), HIV/AIDS (0%) and cough (2%). Out of these, ninety percent (90%) received required medication to cure their condition. The average annual household expenditure on health care was GHC500 (143 USD)

Respondents reported they had an average sleep of 8 hours every night; however, this excludes those who work at night (night security men). Further findings indicate that on average households surveyed have less than three meals a day and there was a ratio of one mosquito to two people which was similar to the ratio of beds to household members. On average, expense on food per household was GHC50 (14 USD).

### ***Water***

Fetching water from water tap was found to be the most common source of water for 80% of surveyed respondents and these were found in or nearby their homes. Twelve percent (12%) drew water from the borehole and 8% drew water from nearby rivers in Cape coast. Irrespective of the source, water was mainly used for washing, drinking, bathing and cooking purposes. Average distance covered to reach potable water for respondents who do not source water at their homes was 250 meters and an average length of time spent on fetching water from these sources was 30 minutes daily.

### ***Energy***

The major source of energy for the surveyed communities was electricity and this was evidenced by responses obtained in that regard constituting 60% of total responses. Findings also reveal that 25% used wood at home while 15% used charcoal. On average respondents spend GHC 150 (42 USD) on energy. However, some respondents indicate that they do not purchase their energy from any of the above sources; instead, they collect wood from the forest which took the approximately one hour (1 hr.) for that exercise daily.

### ***Housing***

Standard of living can also be assessed based on the housing materials of the sample studied. Usually, brick walls with iron roofing are an indication of stable and secure living structure. However, reeds and straw were less durable and less expensive, in this regard; assessment revealed that 20% of respondents resort to this structure of building while 65% used brick and metal roofing, 7% used tiles as housing materials while 5% used reeds.

### ***Communication***

It was found that only 5% of the respondents had access to telecommunication using landline connection. Despite that, 85% of respondents owned cellular phones while 10% own neither a landline nor cellular phone. Average weekly expenses on airtime were GHC 20 (5.7 USD) and the price for local calls ranged from 5 to 10 cents per minute on personal communications.

### ***Transportation***

Findings of the study reveal that 80% of respondents commuted by foot while 5% commute by motorbike. Moreover, 3% travel by minibus while 5% had their own means of transportation (usually their own vehicle). Seven percent (7%) used a taxi for their transportation. In respect of those who own vehicles, the average transportation expenses per month were GHC 360 (102.8 USD)

#### **4.2.4 Tourism, Development, and Poverty Alleviation**

Based on findings of the study, tourism in Cape coast has brought about many changes over the past few years. Respondents gave an account of the expansion of the tourism industry by stating that new lodges in the area have been built. The survey findings show that 63% of respondents agreed that tourism had increased over the past five years while 29% reported a decline in the industry. Moreover, 8% of the respondent stated, there has been no change since the last five years. Impacts of tourism in Cape coast has been positive and this was evidenced by 83% of the respondents, however, 7% reported a negative impact while 10% saw no change in the past five years.

Findings of the study further reveal the effect of tourism on the local economy of Cape coast over the past five years. It was difficult to determine since “local” and “economy” were ambiguously used in the study without any further clarification. However, respondents were able to answer without any difficulty. They may have provided responses regarding the local economy and not necessarily from the perspective of tourism. Out of respondents who stated an increase in the size of tourism, 61% mentioned that there has been an increase in the local economy while 26% reported a decrease. However, 13% of the respondents point out that there has been no change at all. In assessing respondents view on whether the local economy has experienced negative or positive impact as a result of tourism, overwhelming (93%) evidence was found in favour of the latter while the former reported no response but 7% suggest there has been no change over the past five years.

Furthermore, the study found evidence on how tourism has affected poverty in Cape coast over the past five years. In this assessment, responses related the size of poverty in the community instead of the effect of tourism. Thus, 25% agreed to an increase in poverty while 45% suggested a decline and 30% stated no change. Moreover, it was observed that responses were more concentrated on poverty in general rather than tourism effect on poverty.

## **5.0 CONCLUSIONS AND RECOMMENDATIONS**

This purpose of this chapter was to summarise the study conducted. It presents a summary of findings, conclusion and recommendation based on the findings discussed.

### **5.1 Findings**

The main objective of this research was to understand the processes through which tourism contributes to poverty reduction. However, it focused on specific objectives such as; to analyse the effects of tourism employment on poverty conditions, and to explore the processes through which tourism can contribute to poverty reduction. The study made use of questionnaire and interview guide approach to obtain answers to achieve above objectives. Summary of findings follow the order in which discussion and analysis were carried out in the previous chapter.

### **5.2 Qualitative Analysis**

In this study, key elements were used to do qualitative analysis which included employment, local sourcing of goods and services, taxes, infrastructure and philanthropy. Although all other elements played a role in tourism development, employment, local sourcing of goods and services, as well as philanthropic support offered by tourist, were dominant elements in Cape coast. Lodges in the site employed a lot of people from the surroundings and nearby towns of Cape coast municipality. The majority of lodge owners adhered to labour laws, standards of the minimum wage, maternity leave, and vacation allowances; however, there was a lower standard of the minimum wage. The consequences of lower minimum wage become clear when compared to legal and prevailing minimum wages with family size and responsibilities.

Employment benefit was basically provided using an informal approach and on as need basis. Some employers provided employment benefit and assistance over and above what is recognised and required by labour laws to cover family members of employees through funeral funds, loans and school fees. Cape coast is a coastal area and inadequate transportation system in most of its surrounding towns makes importation of goods and services problematic and expensive. As a result, this serves as an advantage for domestic markets that resourced to provide required goods and services of lodges. Some of the goods required by lodges were sourced within Cape coast, though many of the lodge owners were better able to find good quality and quantity of goods the needed in the nearby towns. Most residents of Cape coast were willing to supply these goods and services to lodge owners; however, they lacked the resources to begin it.

Philanthropic support was one of the key initiatives that were exercised and facilitated by lodge owners and operators, tourist as well as NGOs. Owners of the lodge were very instrumental in providing tourists of volunteer opportunities and linking them with ongoing developmental projects in the community. Some lodge owners in Cape coast encouraged volunteerism in Cape coast which created a conducive environment for the purpose of development. Policies and rules regarding immigration, however, limited the positive impacts of volunteers since tourist were not permitted by laws to stay longer to complete volunteer projects they have started. Start-up capital and donations for developmental projects were mainly provided by lodge owners and tourists and these were used for income generation projects in the community. Furthermore, the state through its local agencies in the Cape coast municipality generated taxes from tourism activities, however, the perception were that the community does not benefit from the allocation of developmental projects undertaken with tax revenue. Existing infrastructure built for the purpose of tourism activities were renovated and new ones built. Moreover, the community also benefited from the extension of facilities such as health centres, roads, communication and electricity. However, residents were charged in cases where services rendered required fees and charges.

### **5.3 Quantitative Analysis**

The quantitative analysis focused on the demographics of respondents, assessment of the prevailing economic conditions in the community of study, poverty level and the impact of tourism as well as tourism development and poverty alleviation was examined. Demographics of the surveyed community revealed that majority of residents were women and mostly married couples. Moreover, the community had high dependency ratio where the dependency group consist of at least four children and two aged per one individual per household. However, in most cases, only one individual was able to provide financial resources. This had implications of worsening poverty level in the community.

Moreover, economic conditions of the community were examined using key economic indicators such as employment, employment benefit, daily income, savings and debt. Most residents were engaged in full-time work permanent where they spent at least eight hours per day per week, however, few also worked on temporal, contract and casual basis. Employment benefits excluded paid vacation, health insurance and pension plan. Employees who suffer these resort to the national health insurance and private pension schemes. Daily incomes were unknown to most workers, especially casual and temporal workers. However, they perceived that salaries and wages were based on required and legal minimum wage. Generally, average

salaries for permanent workers in the community were very low. This might have contributed to the poor savings culture among the people since majority could not save part of their income irrespective of increase in their salaries and wages

Moreover, among the working class identified with the tourism industry in the community, most of them work in both accommodation; and food and beverage sectors. Income levels of these workers usually increase; however, it does not change their attitude towards savings as noted before.

Poverty levels were also assessed based off key indicators which included access to education, access to healthcare, living standard, communication, transportation and security. Children in the community had access to education, however, the majority of the travel long distance to attend school at a very high cost (which include others expenses and school fees) considering the economic conditions and dependency ratio. Similar to education, residents cover some distance before having access to healthcare facilities. Malaria was the widespread disease in the community, however, patients were provided with the required medication although it came with a high average cost.

The commonest source of water was water tap; however, a considerable number of people also sourced water from borehole and nearby rivers for washing and drinking purposes. Electricity was the major source of energy for the community although it is costly; however, firewood and charcoal remained major alternatives for people that cannot afford electricity. Furthermore, brick and metal roofing were the main housing materials that offered durable housing in the community but it was very expensive. As a result, residents had other alternatives which served similar purposes but not durable.

Communication through landline connection was uncommon as personal mobile phones were the order of the day. Most people were able to communicate through their cellular phones at a relatively lower cost. Moreover, means of transportation was by foot as very few could afford to own their own vehicles.

Furthermore, tourism development and poverty alleviation assessment conducted suggest that over that past few years, the tourism industry has increased and its impacts on Cape coast municipality was positive as it has led to several developmental projects leading to the creation of jobs and other business opportunities for the youth. The local economy of Cape coast has improved; however, it could not be necessarily attributed to the impact of tourism as most people generalised this assessment. Poverty level in Cape coast had declined in the

past few years, however, similar to assessment of local economy, most people generalised this assessment instead of limiting it to impact of tourism

#### **5.4 Conclusion**

The study combines realistic and idealistic perspective on poverty reduction. Thus, a realistic description of existing levels of poverty, conditions, process and inherent assumptions of poverty reduction approaches is essential to an understanding of poverty as an issue. This is a key element towards the designing of more effective strategies for poverty reduction. Therefore, this study has sought to understand the key role tourism play in reducing poverty so as to ascertain how tourism can improve poverty more effectively. Based on these, the study concludes on the following:

How does tourism influence poverty? Tourism and poverty alleviation has an inevitable relationship. The former has the potential of alleviating and perpetuating poverty. Its development mechanism is not always obvious (thus, tax revenue, infrastructure) and do not consistently function well especially when introduced in a social, economic and political institutional contexts of less developed countries. If tourism is to have an effective impact on to be able to alleviate poverty, it must be well planned in such a manner that it does not exacerbate the poverty conditions and must convey positive impacts to the extent poor populations will succeed above survival levels.

*How tourism reduces poverty:* Mechanisms for tourism development impact different types of effects of varying scales and durations and on different poverty conditions. Employment and Philanthropy were bound to have more direct impacts on poverty relative to other mechanisms such as taxes. The influence of philanthropy can support development in so many ways such as human development and economic growth. This can be recognised on both household and community levels and can support other tourism development mechanisms including infrastructure and local sourcing of goods and services.

Growing of international tourism in developing nations usually imitates the unfair economic order and growing inequality throughout the world. The link that exists between tourism and poverty is certainly complex. Globally, tourism continues to assist and exploit helpless and poor in communities. Although tourism is unlikely to serve as a solution to global poverty, it can have profound alleviating consequences. Thus, it has an export industry where consumption and production take place concurrently. This has the ability to reduce and removing distance barriers, ignorance and initiating fairness to global poverty as well as making it possible for tourists to implement their social programmes to be able to increase

their duties as global citizens. As citizens of the global world travelling across international borders, tourism participants can make comprehensive, effective and as well as permanent contributions towards poverty alleviation

### **5.5 Recommendations**

Recommendation for Tourism Policy and Planning; with regards to the development of and poverty alleviation in Cape coast, the following are recommended are offered:

It is prudent to make direct sales venues available for wood carvers and artisans if lodge owners are willing to contribute directly to poverty alleviation. Moreover, there should be the maintenance of a code of conduct since it is relevant to ensure the integrity of tourist experience and maintain the entire tourism market.

Moreover, in order to ensure that workers in the tourism industry earn reasonable wage capable of making them improve their standard of living, the official minimum wage level must be increased. However, enforcement of this may remain difficult due to the fact that tourism employees form part of the informal sector of the Ghanaian economy. This requires the attention and involvement of other stakeholders other than tourism policymakers.

Considering the nature of economic, social as well as the institutional dimension of the study communities, tourist philanthropy may undoubtedly by most realistic and immediately effective instrument to reduce poverty. In this direction, it is very important that the communication gap between lodge owners and area committees be closed. The former and the latter should work hand in hand to create the awareness for each other of the recent developmental plans of that require start-up capital. The prime position of lodge owners makes them suitable to offer advice to prepared tourists who are willing to offer direct efforts and resource.

Recommendation for future research: This study focused on the impacts of tourism development on poverty alleviation by examining conditions including; living conditions, employment conditions health conditions as well as the state of education. However, there is enough opportunity to extend or change the context of the study. This may look at an aspect which may seek to analyse the extent to which tourism worsen poverty alleviation. Thus, tourism development may be extended to cover sex tourism; however, as this has the high probability of generating employment as well as income for the household, it also brings and increases the risk of HIV/AIDS contraction in the communities.



## REFERENCES

- Ahiawodzi, A. K.** "Tourism earnings and economic growth in Ghana." *British Journal of Economics, Finance and Management Sciences* 7, no. 2 (2013): 187-202.
- Akama, John S., and Damiannah Kieti.** "Tourism and socio-economic development in developing countries: A case study of Mombasa Resort in Kenya." *Journal of sustainable tourism* 15, no. 6 (2007): 735-748.
- Akyeampong, Oheneba Akwasi.** "Pro-poor tourism: residents' expectations, experiences and perceptions in the Kakum National Park Area of Ghana." *Journal of Sustainable Tourism* 19, no. 2 (2011): 197-213.
- Ashley, Caroline, Dilys Roe, and Harold Goodwin.** *Pro-poor tourism strategies: Making tourism work for the poor: A review of experience*. No. 1. Iied, 2001.
- Blake, Adam, Jorge Saba Arbache, M. Thea Sinclair, and Vladimir Teles.** "Tourism and poverty relief." *Annals of Tourism Research* 35, no. 1 (2008): 107-126.
- Bruner, Jerome S.** *The culture of education*. Harvard University Press, 1996.
- Carbone, Maurizio.** "Sustainable tourism in developing countries: poverty alleviation, participatory planning, and ethical issues." *The European Journal of Development Research* 17, no. 3 (2005): 559-565.
- Chen, Shaohua, and Martin Ravallion.** "The developing world is poorer than we thought, but no less successful in the fight against poverty." *World Bank Policy Research Working Paper Series, Vol* (2008).
- Chifon, Godlove Ngek.** "The role of sustainable tourism in poverty alleviation in South Africa: a case study of the Spier tourism initiative." PhD diss., University of the Western Cape, 2010.
- Erskine, Louise Mary, and Dorothea Meyer.** "Influenced and influential: The role of tour operators and development organisations in tourism and poverty reduction in Ecuador." *Journal of Sustainable Tourism* 20, no. 3 (2012): 339-357.
- Essah, Patience.** "Slavery, heritage and tourism in Ghana." *International journal of hospitality & tourism administration* 2, no. 3-4 (2001): 31-49.

**Fleischer, Aliza, and Daniel Felsenstein.** "Support for rural tourism: Does it make a difference?." *Annals of tourism research* 27, no. 4 (2000): 1007-1024.

**Frimpong-Bonsu.** "Diagnostic Study of Tourism in Ghana." Submitted to the African Center for Economic Transformation, *Methodist University College*, (2015)

**Gartner, Candice.** "Tourism, Development, and Poverty Reduction: A Case Study from Nkhata Bay, Malawi." (2008).

**Ghana living standards survey 6 with labour force module.** (2013). Available at: [http://www.statsghana.gov.gh/docfiles/glss6/glss6\\_labour\\_force\\_4th\\_to\\_6th\\_cycle\\_report.pdf](http://www.statsghana.gov.gh/docfiles/glss6/glss6_labour_force_4th_to_6th_cycle_report.pdf) (Accessed: September 2015).

**Ghanadistricts.com. (2016).** [online] Available at: <http://www.ghanadistricts.com> [Accessed 10 May 2016].

**Ghanaimmigration.org.** (2016). *Welcome to Ghana Immigration Service.* [online] Available at: <http://www.ghanaimmigration.org/> [Accessed 10 May 2016].

**Harris, Roger W.** "Information and communication technologies for poverty alleviation." (2004).

**Harrison, David.** "Pro-poor tourism: A critique." *Third World Quarterly* 29, no. 5 (2008): 851-868.

**Holden, Andrew, Joel Sonne, and Marina Novelli.** "Tourism and poverty reduction: An interpretation by the poor of Elmina, Ghana." *Tourism Planning & Development* 8, no. 3 (2011): 317-334.

**Kafle, Jagannath.** "Poverty Alleviation through Sustainable Tourism Development in Nepal: Marketing Strategy Point of View." (2011).

**Koenig, Hannes Jochen.** "Multifunctional forest management in Guyuan: Potentials, challenges and trade-offs." *Journal of Resources and Ecology* 1, no. 4 (2010): 300-310.

**Kumar, Sameer, and Promma Phrommathed.** *Research methodology.* Springer US, 2005.\

**Makoka, Donald, and Marcus Kaplan.** "Poverty and Vulnerability-An Interdisciplinary Approach." (2005).

**Mbaiwa, Joseph E.** "Enclave tourism and its socio-economic impacts in the Okavango Delta, Botswana." *Tourism Management* 26, no. 2 (2005): 157-172.

**McCaston, M. Katherine, and Michael Rewald.** *Unifying Framework for Poverty Eradication & Social Justice: The Evolution of CARE's Development Approach*. Technical report. Atlanta, GA, USA: Cooperative for Assistance and Relief Everywhere (CARE), 2005.

**Mofep.gov.gh.** (2016). *Ministry of Finance - Government of Ghana*. [online] Available at: <http://www.mofep.gov.gh/> [Accessed 10 May 2016].

**Mthembu, Barney MJ.** "Rural tourism as a mechanism for poverty alleviation in KwaZulu-Natal: the case of Bergville." PhD diss., University of Zululand, 2011.

**Muhanna, Emaad.** "The contribution of sustainable tourism development in poverty alleviation of local communities in South Africa." *Journal of Human Resources in Hospitality & Tourism* 6, no. 1 (2007): 37-67.

**Novelli, Marina.** *Tourism and development in Sub-Saharan Africa: Current issues and local realities*. Routledge, 2015.

**Page, Stephen, and Joanne Connell.** *Tourism: A modern synthesis*. Cengage Learning EMEA, 2006.

**Ravallion, Martin, Shaohua Chen, and Prem Sangraula.** "Dollar a day revisited." *World Bank Policy Research Working Paper Series, Vol* (2008).

Richards, S. L. (2005). What Is to Be Remembered?: Tourism to Ghana's Slave Castle-Dungeons. *Theatre Journal*, 57(4), 617-637.

**Rogerson, Christian M.** "Pro-poor local economic development in South Africa: The role of pro-poor tourism." *Local Environment* 11, no. 1 (2006): 37-60.

**Sackin Richard.** (2013). *Ghana Tax Guide 2013*. PFK International limited. Available at: <http://www.pkf.com/media/1954395/ghana%20pkf%20tax%20guide%202013.pdf> (Accessed: May 2013)

**Shackleton, Charlie, Sheona Shackleton, James Gambiza, Etienne Nel, Kate Rowntree, and Penny Urquhart.** "Links between Ecosystem Services and Poverty Alleviation." *Situation analysis for arid and semi-arid lands in southern Africa. Consortium on ecosystem and poverty in Sub-Saharan Africa*. 200p (2008).

**Shackleton, Sheona Elizabeth.** "The significance of the local trade in natural resource products for livelihoods and poverty alleviation in South Africa." PhD diss., Rhodes University, 2005.

**Sirakaya, Ercan, Victor Teye, and Sevil Sönmez.** "Understanding residents' support for tourism development in the central region of Ghana." *Journal of Travel Research* 41, no. 1 (2002): 57-67.

**Spenceley, Anna, and Dorothea Meyer.** "Tourism and poverty reduction: Theory and practice in less economically developed countries." *Journal of Sustainable Tourism* 20, no. 3 (2012): 297-317.

**Spenceley, Anna,** ed. *Responsible tourism*. London: Earthscan, 2008.

**Statsghana.gov.gh. (2016).** :: *Ghana Statistical Service* :: [online] Available at: <http://www.statsghana.gov.gh/> [Accessed 10 May 2016].

**Strauss, Anselm, and Juliet Corbin.** "Basics of qualitative research: Procedures and techniques for developing grounded theory." ed: *Thousand Oaks, CA: Sage* (1998).

**Tucker, Hazel, and Brenda Boonabaana.** "A critical analysis of tourism, gender and poverty reduction." *Journal of Sustainable Tourism* 20, no. 3 (2012): 437-455.

**UNWTO and SNV. Manual on Tourism and Poverty Alleviation:** Practical Steps for Destinations. (2005)

**UNWTO and SNV. Manual on Tourism and Poverty Alleviation:** Practical Steps for Destinations, WTO, Madrid, Spain (2010).

**UNWTO and SNV. Manual on Tourism and Poverty Alleviation:** Practical Steps for Destinations (2011)

**Wilson, Francis, Nazneen Kanji, and Einar Braathen.** *Poverty reduction: what role for the state in today's globalized economy?*. Zed Books, 2001.

**Zhao, Weibing, and JR Brent Ritchie.** "Tourism and poverty alleviation: An integrative research framework." *Current Issues in Tourism* 10, no. 2-3 (2007): 119-143.

## **LIST OF ABBREVIATIONS**

**GDP**- Gross Domestic Product

**GHC**- Ghana Cedi

**GIS**- Ghana Immigration Service

**GSS**- Ghana statistical service

**ILO**- International Labour organisation

**ISSER**- Institute of Statistical, Social and Economic Research

**LDCs**- Less Developed Countries

**NHIS**- National health Insurance Scheme

**PPT**- Public Partnership Project

**PAYE**- Pay Ass You Earn

**SPSS**- Statistical Package for the Social Science (software)

**UN**- United Nations

**UNDP**- United Nations Development Programme

**UNICEF**- United Nations Children's Emergency Fund

**VAT**- Value Added Tax