

Brenu Beach Resort, Ghana

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Introduction

At the time of this case study project in August, 2001, the National People Party (NPP) had just come to power in Ghana. One of the reasons for the NPP's success was the promise to invest in and develop the local economy under the slogan 'Golden Age of Business'. The change towards a new democratic government resulted in wide-ranging goodwill from the local people, who were expecting a new level of personal and professional freedom in Ghana. The business sector was longing for positive change, as for almost 30 years private businesses had not received significant support from the preceding governments. People in the tourism industry were finally encouraged to invest into their innovative business ideas, and motivated to start up small enterprises to increase their quality of life.

Originality, creativity and appropriateness are generally described as key elements for innovation. While innovation is associated with the introduction of new ideas or concepts, geographers use the expression "coping strategies" when describing innovation in social mechanisms (Yaro 2004). In Ghana, for most entrepreneurs in the tourism sector the term innovation is part of daily life's "coping", or a constant survival process. People practise innovation to survive in their business environment, and they alter and adapt according to the resources available – a process the Japanese term "*arumono*". The

definition of innovation given by the female entrepreneur featuring this case study is “creating something meaningful out of nothing for a specific purpose or aim, using available and appropriate resources”.

The small ecotourism business “Brenu Beach Resort” established by the local female entrepreneur Auntie Aggie is investigated for this case study. The “Brenu Beach Resort” features an authentic Ghanaian restaurant and camp site, which is located on a basic beach area at the Komenda Eguafo Edina Abirim coast. Auntie Aggie’s ecotourism business is an innovative contribution to tourism in Ghana, as she decided against the trend of providing all-inclusive services to tourists, to establish an open air do-it-yourself chop bar and restaurant, where tourists can have something to eat when they come to spend their time at the beach. A chop bar can be described as a traditional local restaurant where food is prepared and served in less than a minute. Typical Ghanaian dishes are cooked in such restaurants and are generally eaten with the hands. The authentic style of dining is enjoyed by the tourists, who are encouraged to contribute to the meals and do their own cooking by using the basic cooking utensils provided. For accommodation, visitors are encouraged to set up a camp site on the beach area or build huts from coconut branches.

Drivers and Reasons for Innovation

From the seven informal interviews conducted with Auntie Aggie, three outstanding features are eminent which drive innovation in her case: the surviving instinct of human beings; the balance between demand and supply; and the trustful interrelationships

among all the stakeholders in the tourism industry. First, considering the need to look after her five children and provide a place for them to stay, Auntie Aggie followed her survival instinct. It was her strong will to first finance her children's education and be financially independent, which encouraged her to creatively use of the few natural resources she had available. With a supportive family and a local beach area to count on, ecotourism appeared to be a promising opportunity for professional success. Auntie Aggie had observed a rising demand for authentic Ghanaian tourism when an increasing number of local and foreign visitors complained about inadequate food and accommodation in the area. Particularly the international tourists were longing for authentic, traditional and yet convenient overnight shelters, which would add to their cultural experiences.

Second, the balance between supply and demand is a crucial driver for innovation. The demand side is represented by the tourists, while supply side consists of service providers that offer accommodation, food, artefacts, tour guides and other tourism functions. To maximize performance, the tourist should be at least satisfied with their experience, while the entrepreneurs realise satisfactory return on investment through the products and services they provide (Commeh 1999). For example, if the tourist seeks to enjoy an unspoiled clean beach or have first hand experience of authentic cooking, and if the provider can deliver to his standards, then satisfaction is likely. In our case, if tourists are happy with the services Auntie Aggie provides and if they value her performance, then they leave satisfied, may come again and/or encourage others to visit the beach resort.

Third, a key factor for innovative co-operations is the trustful relationships between players in the tourism arena, which result from good business contacts and supportive local networks. Letting stakeholders know about their importance and rewarding achievers and performers is crucial, and will eventually result in further innovative practises. At the same time, co-operation with important stakeholders in the community will guarantee support among the local people, other tourism providers and the local government. In Ghana, local community networks and co-operations between key players in the industry are still developing, which at times made life difficult for Auntie Aggie.

Barriers to Innovation

From a micro-economic perspective, the family owned beach area provided Auntie Aggie with the basic physical resources needed to start her ecotourism business; however, there were no financial means to establish appropriate guesthouse facilities. While a beautiful coastline, a two and a half kilometres long beach, marine life, and a large tract of undeveloped land was available, the essential means and structures needed to develop a small resort were missing. All Auntie Aggie had available when opening the chop bar and restaurant were basic cooking utensils such as charcoal pots and three traditional cooking stones. The lack of financial and material assets proved to be an initial barrier to innovation, yet it encouraged her to be creative and to design new opportunities from scratch, such as the do-it-yourself chop bar.

From a macro-economic perspective, a lack of support and staggering interventions of the previous Ghanaian governments presented one of the greatest barriers to innovations in the overall tourism business field. In the 1980s and early 90s the tourism sector only grew at a rate of 3.5% - 5%, and merely started to expand in the late 90s. Under the current proactive and business-orientated government the macro-economic performance has improved significantly. According to the latest Ghana Tourist Board report, tourism is currently growing at a rate of 16% per annum (Ghanaian Times, 2 April 2007), which shows that a change in politics and policies can impact strongly on the overall wellbeing of the tourism industry and may contribute to overcoming barriers to innovation.

Socio-cultural barriers to innovation can occur if community based tourism is not adequately supported by the host communities, government and local authorities (Kiss 2004). For instance, in some cases the chief of a community can decide to intervene destructively - as it was the case with Auntie Aggie's business. When her business became popular with both local and foreign tourists, the Central Regional Development Commission intruded by building a tourist centre and a guesthouse right next to her chop bar. So instead of receiving support for her own business, the entrepreneur found herself struggling with newly introduced social and financial barriers. The community chief did not approve the expansion of her business to a larger guest house or motel. Auntie Aggie believes that the main reasons for these restrictions are (a) her unwillingness to pay money (and bribes) for land titles to the chiefs, and (b) the opinion leaders' personal frustration in seeing a woman establish a successful business. The restrictions

experienced cause a drastic reduction in her potential income, which again sets new barriers to further innovation and sustainable socio-economic development.

Processes for Innovation

There are four main processes which contribute to a continuously innovative social and economic tourism business environment. These are a) the provision of adequate education that encourages creative thinking, b) the use of up-to-date technology, c) the rule of law, and d) financial incentives. First, education is considered the foundation of a sustainable society and it will be the most influential determinant of the success or failure of tourism businesses (Greenspan 2007). Having an educated management group and a creative workforce means being at the forefront of innovation. Allan Greenspan, former chairman of the US Federal Reserve Bank, once said “The solution to some of our gravest problems lies in reforming the way we educate our children”. He explained that education can also help businesses to “creatively destroy” and revitalize themselves from within by scrapping old and failing projects and then reallocating resources to newer, more productive ones. By helping people understand the dynamics of the field in which they operate, resources can be efficiently and creatively reallocated to meet the new market dynamics.

Second, technology in today’s world is seeing changes at a light speed pace and the likely direction of change is unpredictable. Ghana as a developing country is not an exception and it is crucial for the country to be proactive and innovative with infrastructure development projects. Communication technology, for example mobile

phones, the internet, cable TV etc., have arguably turned the Global Village into a small Ghetto. In rural Ghana, the development of information technology and infrastructure has recently allowed larger entrepreneurs to increase direct communication and virtual presence via internet sites, emails and mobile phones. However, for small tourism businesses without IT access, opportunities for attracting and targeting customers remain low, which results in an increasing competitive disadvantage. Government support for investment into technology is therefore seen as a crucial driver for socio-economic prosperity.

Third, applying the rule of law and order will ensure the safety and trustworthiness of a sustainable business environment. For example, once prevailing issues and uncertainty regarding land ownership and property rights in Ghana are solved, the tourism industry can operate freely and under just circumstances. Such macro factors are crucial for attracting and securing tourist providers and business people who are interested in investing in the local economy. A functioning, reliable and non-corrupt government will secure law and order for the benefit of the local people and contractors. If all misbehaviour is dealt with fairly and just, trust within the business sectors and communities can be created and opportunities for investments will grow.

Fourth, financial incentives and support by the local and federal government are considered vital measures for advancing innovation, particularly in a developing country such as Ghana. Often, the local entrepreneurs do not possess the initial resources necessary to establish a business or company and individuals with creative and innovative

ideas are often limited in their power of realizing and implementing their business plans due to expense. Here, the government is encouraged to provide a support frame for small businesses and investments, which should encourage and benefit newly established local entrepreneurs and their workforce. Initial subsidies, incentives and support would encourage small entrepreneurship.

Networks for Innovation

The creation of integrative tourism networks is fundamental for the effective exchange and advancement of information, ideas and projects among players in the tourism industry. Networks can be both the source and beneficiary of the different processes needed to establish an innovative socio-economic environment in Ghana. On the one hand, existing contacts and networks can open doors and propel the growth of the tourism industry, on the other hand the togetherness of people, the exchange of ideas and the cooperation at projects can lead to new friendships and networks being created for future tasks (Bortei-Doku Aryeetey 1998). Currently, networking in Ghana is not appropriately understood as a form of effective exchange of information for the advancement of developmental goals. For example, rather than receiving help and advice from other players in the tourism industry, the benefits Auntie Aggie obtains from networking come from the good rapport and regular exchange she has with her customers. The tourists are often giving her ideas or support as to how to run her business effectively, what and how to change or innovate. For example, tourists have mentioned the importance of creating an internet site and an email contact to market and promote her business on a larger scale.

On a macro scale, it remains to be seen how the government, financial institutions, tourism researchers and entrepreneurs share innovative ideas amongst each other. If these tourism stakeholders see the value of cooperating, supporting and linking each other in innovative ways, then socio-economic development will be the consequence (Bortei-Doku Aryeetey 1998). People can learn from each other, avoid common problems, or cooperate to overcome barriers, trouble or hardships. At the same time, networking can help improving or strengthening rules and regulations that support effective innovations. This could for example encourage financial institutions to support the industry, once a certain macro-framework is provided and a strong intra-industrial network is established.

If networks in the Ghanaian tourism industry were well coordinated and well functioning, Auntie Aggie would not have experienced the various mishaps, problems and issues along the way. For example, land title registration problems and miscommunication between her and the local chiefs could have been avoided, if a functioning intra-community network was available to support her. Local businesses could have exchanged experiences and helped each other out during the registration processes and in dealing with Government officials. Employing an effective and culturally acceptable local network promises to be a convincing strategy towards solving complex community issues and overcome socio-cultural differences.

Summary/Conclusion

This case study discussed the underlying narratives that influence innovation in tourism in the context of Ghana's evolving young democracy. The study featured a female entrepreneur, whose innovative eco-tourism business managed to overcome financial, social and cultural barriers. Co-operation and networking of individuals, communities, tourism operators and government officials promises to be beneficial for small scale tourism developments in the country. While currently the relationships between stakeholders in the industry are loose or non-existent, the establishment of local networks can help to effectively promote information flows, share knowledge, and establish contact and trust between all tourism stakeholders. The Government is encouraged to contribute to innovative developments by establishing a macro frame for the community including the provision of education, technology and financial incentives. The effective exchange of information among all stakeholders in the tourism industry would allow contacts and networks to be established and trends to be anticipated.

In conclusion, factors that promote or hinder innovation can be complex, especially in a developing world context, where traditional and cultural systems considerably influence socio-economic development and change. Innovative ideas and policies can impact positively on the social, cultural, economic and political environment. However, the local micro business environment will only benefit if projects are supported by a macro frame, and if governmental support goes along with a change of attitude and work ethics.

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