THE IMPLICATIONS OF ROAD TOLLBOOTH TO LOCAL ECONOMIC DEVELOPMENT: A CASE STUDY OF TABRE AND OFFINSO

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Abstract
This Research captioned as “The Implications of Road Tollbooths to Local Economic Development” presents how the emergence of road tollbooths as alternative source of revenue to the Road Fund has contributed in providing employment and livelihood options to residences in and around the towns or communities where these tollbooths are located. Most of the developing economies particularly Africa are characterized by high predominant rate of youth unemployment especially those without education and employable skills. The search for employment and livelihood has compelled mostly the youth in and around the places where road tollbooths are located to make their daily means by selling all sort of wares ranging from agriculture and industrial products around the road tollbooths. The objective was to find out how these trading activities contribute to local development. Using case study and sampling, the research revealed that trading activities around the road tollbooths have a lot of benefits which have led to the improvement of the lives of the operators and the local communities. However, they are also characterized by a lot of challenges including accidents, effects on health and other risks which impede the smooth operation of the trading activities in the study areas.

Keywords: economic development; employment; road tollbooth; livelihood; petty trading

1. Introduction
A common sight in Africa’s sprawling urban areas is the widespread proliferation of petty traders, hawking items from garden produce to imported consumer goods. These small-scale merchants represent perhaps the fastest growing segment of the labour market in Africa, attracting the unemployed, the displaced, and the impoverished (Little 2008). Recent economic stagnation and restructuring on the continent spurred the growth in this sector, as waged employment declined and...
inflation spiraled. At least part of the restructuring has been under the watchful eyes of the International Monetary Fund (IMF) and the World Bank, whose programs have slashed public sector employment, urban subsidies (including subsidies on food), and the exchange value of local currencies. All of this coupled with high unemployment rate has made it difficult for many Africans to subsist without holding multiple occupations, including involvement in all types of trade as a way to supplement their meager incomes (Little 2008). This burgeoning petty trade, often euphemistically labeled the “informal sector”, has been praised by some as a sign of a healthy private sector, without recognition that its growth is symptomatic of larger structural problems in the economy which leave many individuals with little choice but “to trade to eat”.

The importance of the informal sector of our economy cannot be overlooked. Research has shown that the informal sector of which street trading is an integral part, constitutes a 35% of most national economies especially in developing countries (Boafoa-Asare 2010). According to the World Bank, the “informal sector” is a force in developing states comprising between 25% and 40% of annual economic production in Africa and Asia (Maguire 2009). Developing countries are mainly characterized by large informal sectors and Ghana is no exception. The informal sector employs about 51% of the total population of Ghana for which 15.2% of this are engaged in trading activities. Again, Petty trading as a form of informal sector is said to provide employment and livelihood to about 13% of the total populace both in urban and rural areas (Ghana Statistical Service 2008). These petty trading activities range from the sale of agricultural products to manufactured and industrial products mainly to satisfy the basic needs of the individuals.

Petty trading is very important to the development of the economy of Ghana. Aside its economic impact in terms of employment, income generation and livelihood, this economic activity tends to provide goods to consumers mostly in smaller quantities and at a convenient locations. For example, a survey conducted by the Offinso South Municipally Assembly in 2009 revealed that about 24.5% of the people are engaged in petty trading activities as a source of employment and livelihood within the municipality (Offinso South Municipal Medium Term Development Plan 2009-2013). What has been observed recently is the sprawling up of petty trading activities due to the emergence of road tollbooths on the Ghanaian highways. These traders operate by making drivers, motorists and pedestrians have
easier access to retail goods and foods in general thereby meeting the needs of travelers from both near and afar.

The paper therefore unveils the economic implications of these trading activities around the tollbooths on the Ghanaian highways with specific focus on Tabre and Old Offinso in the Atwima Nwabiagya District and Offinso South Municipality respectively. The paper focuses on the economic importance of road tollbooths in the areas of employment, livelihood and local economic development.

2. Scope of Study

The Offinso South Municipality and Atwima Nwabiagya district form part of the 30 Administrative Metropolitan, Municipal and Districts in the Ashanti Region of Ghana. Offinso South Municipality with New Offinso as a capital is located roughly within latitude 7°15'N and 6°95'S and longitude 1°35'E and 1°50'W with a total land area of about 600km² (MMTDP, 2009-2013). The Municipality shares common boundaries with Offinso North District in the North, Afigya Kwabre in the East and South, Atwima Nwabiagya and Ahafo Ano South Districts in the West.

The Atwima Nwabiagya District on the other hand lies approximately between latitude 6° 32’N and 6° 75’N, and between longitude 1° 36’ and 2° 00’ West. It is situated in the Western part of the Ashanti Region and shares common boundaries with Ahafo Ano South and Atwima Mponua Districts (to the West), Offinso Municipal (to the North), Amansie–West and Atwima Kwanwoma Districts (to the South), Kumasi Metropolis and Afigya Kwabre Districts (to the East). It covers an estimated area of 294.84 sq km. The district capital is Nkawie. The toll booths under study are located on major roads linking the districts and regions to other parts of the country.

3. Research Methodology

The study adopted a case study approach. This is because the approach pays attention to a particular area of concern by considering the various issues (including sociocultural, economic, and environmental) thoroughly reporting them. The study therefore covered particular road tollbooths with reference to Old Offinso in the Offinso South Municipality and Tabre in the Atwima Nwabiagya District. The high rate of patronage of these trading activities by the local residents and people from beyond as well as the recognition of these activities by the Municipal and District assemblies of the
study areas make the chosen scope favorable locations for the study. The target group for this survey are categorized into two namely the institutions that are concerned and supposed to regulate the activities around the road tollbooths which includes Offinso South Municipal Assembly, Atwima Nwabiagya District Assembly, Ghana Highway Authority, and the petty traders operating around the road tollbooths.

The purposive selection technique which is non probability sampling was used to interview the traders around the road tollbooths. The absence of associations involving the traders around the tollbooths and at the local assembly posed a challenge of determining the sample frame of the people engaged in the activities around the road tollbooths. Since explorative studies require a minimum sample size of 40, a total of 53 actors were interviewed involving 50 traders around the road tollbooths, two planning officers of the two district assemblies and Ghana Highway Authority. The face-to-face interviews were conducted with each of the respondents using a semi-structured questionnaire containing both open and close ended questions.

The data collected were analyzed and findings derived from the analysis.

4. Findings

A. The Characteristics of Trading Activities around the Road Tollbooths

The survey revealed that the trading activities around the road tollbooths are not under any regulation. The traders can enter and exit at will. It does not require registration or any conditions attached. It only requires little start-up capital which can easily be obtained through personal savings or from family members and easily repaid. At times, this capital can even be obtained through credit purchases from the suppliers which make it easier to enter. People can also operate at any time in any day without any restrictions and since there are vehicular movements on these highways almost every time, the traders are seen to operate from dawn to midnight.

In addition, apart from the fixed tax (30 Ghana Pesewas per person) by the traders, they are not required to pay taxes on the profit made. This therefore means that one’s income to be earned depends largely on how hard the person is supposed to work. Due to the lack of regulation of the trading activities, these taxes paid do not provide direct benefits such as access to business training and
infrastructural development to the operators involved. This also makes some of traders easily evade tax payment since the tax is collected at the point of contact with a particular trader.

B. Characteristics of the Traders around the Road Tollbooths

The youth form the majority (92%) of the traders around the road tollbooths. The stress and the risks coupled with the hot sun involved in the activity can mostly be endured by the youth who are naturally stronger. This has therefore provided alternative jobs for the youth who form the majority of the unemployed in the country. Kwakye et al (2007) also confirmed that the youth forms the majority of these street trading activities in Ghana constituting about 86% under the age of 30 years. These traders are also characterized by those with little or no education and lack of employable skills signifying an easy entry and operation of the trading activities around the road tollbooths. The study is in line with Otoo (2012) who revealed that more females are found to operate around the road tollbooths as compared to men. Men tend to join the operation when young and leave for other jobs as they grow older due to their higher degree of occupational mobility as compared to the women as also indicated in Mitullah (2003).

C. Road Tollbooths and Livelihood

The emergence of road tollbooths has helped in providing alternative source of cheap employment for those without jobs in the districts or the municipalities where the tollbooths are located and beyond. More than 60% of the traders are selling around the tollbooths due to lack of employment or even employable skills to look for jobs in other sectors. According to Asiedu and Agyei-Mensah (2008), factors that increase this economic activity in Africa with reference to Ghana include migration and unemployment. This has helped reduce the number of youth employment found within the districts or the municipalities where these tollbooths are located.

Also, more than 50% of the traders are selling as result of a search of livelihood support system. This, according to Asiedu and Agyei-Mensah (2008) serves as a source of livelihood and an avenue also, to supplement family income. Road tollbooths do not only provide employment for local
residence but also a source of livelihood for a living. The traders have not only gotten a source of their livelihood from the tollbooths but improved livelihood as well.

D. Road Tollbooths and Poverty Reduction

With respect to poverty reduction in the study areas, road tollbooths are capable of reducing poverty among the people of the study areas especially those involved in the trading activities. The trading activities around the road tollbooths are capable of providing incomes for the traders involved thereby improving the standard of living of these actors. The traders earn an average income of GH¢9.00 which is far more than the minimum wage income of GH¢4.48 in Ghana and higher than the $2.00 below which a person is considered as poor at the international level.

Road tollbooths have also helped in improving the income levels of the traders. More than 80% of the traders indicated an improvement in their income levels since they engaged in the trading activities. This improvement in income means an increase in access to basic needs such as food, water, education and shelter. This has helped in the improvement in the living standard of these traders. To buttress this assertion, 36% of the traders indicated that they would starved if they were removed from their road tollbooths while 4% of them indicated that they were supporting their education with the income generated from this source.

E. Sustainability of the Trading Activities around the Road Tollbooths

Sustainability of the activities looked at how the activities would be able to stand the test of time so as to ensure a continuous flow of the benefits to the people involved. The trading activities around the road tollbooths were identified very sustainable. The Ghana Highway Authority in charge of road tollbooths has no intention of removing the traders around the road tollbooths. The district assemblies also intend to support these activities since it generates revenue for the local for the municipal and district assemblies through taxes from the traders. The assemblies in addition support these activities by providing sanitation services to the traders around the road tollbooths. These institutions therefore do not restrict the operations of the traders in terms of the trading activities.
In addition, traders involved have constant supply of the products they sell around the tollbooths. This is because most of the traders (56%) are into the sales of manufactured products which are constantly produced throughout the year provided customers are in need of them. Beside, those involved in the sales of agricultural products indicated they have these goods supplied to them most of the times, and where there is no supply for a particular product, they are able to shift to other agricultural produce available. This therefore implies that the trading activities around the road tollbooths are very sustainable.

F. Challenges of the Trading Activities around the Road Tollbooths

The traders operating around the road tollbooths are posed with or pose certain challenges that impede their operations and the smooth operation of the road tollbooths. The following outline some of the challenges regarding the trading activities around the road tollbooths.

i. Lack of access to credit from formal financial institutions. This is due to the absence of loan security and an organized association to contract for loans for the traders. This assertion can be buttressed by none of the respondents indicating access to credit from the formal financial institutions. This tends to limit their operation especially for fresh entrants.

ii. Another challenge associated with the trading activities is that in the case all their products are not sold out, these products normally go bad leading to loss on the part of the sellers. This is in the case of agriculture products which are not normally perishable in nature. At times too, they have their monies taken away by passengers in the moving vehicles.

iii. The risk of accidents is also a challenge that impedes the smooth operation of the activity. This is because their activity involves hawking around moving vehicles. A mistake on the part of either the drivers or the sellers normally leads to road accident. 52% of the traders indicated their activity is faced with the risk of accident. These accidents normally lead to death or incapacitation of the victims involved.

iv. The constant hawking around moving vehicles and in the hot sun tends to affect the health of the sellers involved. More than 60% of these traders are exposed to the hot sun and smoke from
vehicles and therefore exposed to all sort of health related problems such as cough, sputum production and wheezing in addition to the stress involved in running after moving vehicles.

v. The trading activities around the road tollbooths impede vehicular movement. Attempt by these traders to get to passengers who want to buy their products tend to slow down vehicular movement and this affects the smooth operation of the road tollbooths.

vi. Finally, poor sanitation tends to pose a challenge to the smooth operation of both the tollbooths and the traders around the road tollbooths. The survey revealed that though the district assemblies tend to provide sanitation services to the trader around the road tollbooths their efforts are not enough. Traders operating around the road tollbooths who are supposed to complement the effort of the assemblies normally expect the concern assemblies to do so due to the taxes they pay to the assemblies. This has resulted in huge sanitation problems with filth saddled around the road tollbooths where these traders operate thereby making it uncomfortable to operate around these tollbooths.

5. **Recommendations**

In the light of the findings, this paper proposes some recommendations for the improvement of the trading activities around the road tollbooths. The recommendations are also meant to promote the sustainability of these trading activities towards local economic development. The following policy recommendations are made to improve and sustain the trading activities around the road tollbooths.

i. To sustain the trading activities around the road tollbooths, it is imperative to look at them as a livelihood support system which requires the support of both the public and the private sector. This therefore requires the concern assemblies to regulate the activities of these traders. This can be done through the establishment of a database for the traders with the aim of giving them financial aid and effective tax collection system. It will also help to know the total amount generated from these activities as tax to support local development.

ii. Provision of sheds by the concerned assemblies. These sheds should be provided for the traders so as to have a permanent place for smooth running of the activities. This will help in protecting the
traders and their products from the hot sun and its associated health risks. It will also help in organizing these traders so that they can easily be contacted.

iii. The traders should be encouraged to form an association with elected executives to manage these associations. This will help in having a common voice to press for their needs when they arise. The formation of an organize association will also help to make them credible in terms of their dealings with formal financial institutions and other agencies thereby aiding their access to loans and other services for the betterment of their activities.

iv. Provision of education for both the traders and the drivers will go a long way in reducing the risks of accidents associated with their work. Construction of speed ramps on the roads leading to where the tollbooths are located is not just enough, but the use of signs to educate the drivers on the existence of these traders and the need to exercise cautions in driving around the tollbooths. Traders should be also well educated on road safety issues. This will eventually help in reducing the risks of road accidents which usually result in death and incapacitation of the traders and also facilitate vehicular movements.

v. Business support system should be provided by the Business Advisory Councils (BACs) of the assemblies. These supports can be in the form of training in financial management, proper book keeping and business advancement. This will inculcate the skill of proper management on the part of the traders including saving habit with the aim of moving to alternative businesses. With this the trading activities around the road tollbooths will serve as a platform for business and entrepreneurial development.

vi. Traders in artisan training who could not complete their training due to financial difficult should be supported by the concerned assemblies under the National Youth Employment Program. This will help reduce the number of youth under artisan training who see the trading activities around the road tollbooth as alternative source of livelihood. Besides, it will also help them acquire the needed skills which are more sustainable than the trading activities. It also calls for sponsorship package for needed but brilliant students.
vii. Finally, sanitation services provided by the district and municipal assemblies can be complemented by the provision of dustbins and education on the proper disposal of the waste products from their activities. This will reduce the challenge associated with wastes.

6. Conclusion

The paper through the case study approach has been able to establish the benefits of road tollbooths to the improvement of the livelihoods of local residents as well as local economic development. The study has been able to establish that, through the trading activities around the tollbooths, people able to meet their daily basic needs including food, shelter, education and clothing. The local economies have been also positively affected through taxes collected which support development activities within these areas.

Through the evidence provided, it was worth conducting the research which aside potentially contributing to knowledge, it will also provide a guide in the formulation and implantation of policies and programs in support of the activities around the tollbooths.

References


Appendix

Research Instruments

The purpose of this questionnaire is to obtain information relevant to my research title: “The Implications of Road Tollbooths to Local Economic Development”. The information provided will be used purely for my academic research, and will be treated anonymously and privately. So I humbly request you to provide the information requested as candidly as possible.

A. QUESTIONNAIRE FOR THE TRADERS AROUND THE TOLLBOOTHS

PART I-BACKGROUND (SOCIO-DEMOGRAPHIC PROFILE)

1. Age of respondent: .....................................................
2. Sex of respondent (a) Male [ ] (b) Female [ ]
3. Marital status (a) Married [ ] (b) Single [ ] (c) Widowed [ ] (d) Divorced [ ] (e) Separated [ ] (f) others (specify)…………………………
4. Ethnic of origin (a) Akan [ ] (b) Ewe [ ] (c) Ga [ ] (d) Northern tribes [ ] (e) others (specify)………………………………………………
5. Place of Origin……………………………………………………………………

6. Length of stay if not from the place (a) less than a year [ ] (b) 1-2 years [ ] (c) Above 2 years [ ] (d) others (specified)……………………………………

7. Reason(s) for migration if not from the place/region (a) employment [ ] (b) education [ ] (c) family ties [ ] (d) others (specified)……………………………………

8. Livelihood of place of origin (a) farming [ ] (b) Trading [ ] (c) fishing [ ] Others (specify)………………………………………………

9. Educational status (a) Primary [ ] (b) JHS/Middle[ ] (c) Secondary [ ] (d) No schooling [ ] (e)Other (specify)………………………………………………

10. If any stage not completed, please state why:

…………………………………………………………………………………………

11. Number of dependents. Biological children…………Relatives………………
Other (specify)……………………………………………………………………

12. Religious affiliation (a) Christianity [ ] (b) Islamic [ ] (c) Traditional [ ] (d) others (specify)………………………………………………

PART II- ECONOMIC (OPERATIONAL ACTIVITIES)

1. Reason for selling (a) employment [ ] (b) income [ ] (c) livelihood [ ] (d) others (specify)…………………………………………………………………

2. What kinds of goods do you sell? Please state………………………………………………

3. Days of selling (a) everyday [ ] (b) week days [ ] (c) weekends [ ] (d) others (specify)………………………………………………

4. Time of operation (a) 6 -12 noon [ ] (b) 12-6pm [ ] (c) others (specify)………………

5. Before this activity did you have any livelihood were you involved in any other economic activity? Please state………………………………………………

6. How did you get your startup capital (a) personal savings [ ] (b) Family [ ] (c) Loans (d) others (specify)…………………………………………………………………
7. Daily income (a) GH ¢ 1-5 [ ] (b) GH ¢ 6-10 (c) GH ¢ 11-20 [ ] (d) Others (specify)……………………………………………………………………………………………………

8. Expenditure of the operators

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9. Benefits obtained from selling (a) Improved income [ ] (b) Improved livelihood (c) others (specify)……………………………………………………………..

10. What are some of the challenges you face in your operation? (a) Accident [ ] (b) Health risk (c) others (specify)…………………………………………………………………………………..

11. What do you think can be done to reduce this challenge? Please specify………………………………………………………………………………………………………..

PART III- INTERVENTION PROGRAMS

1. Do you have any association(s) regarding your activities? (a) Yes [ ] (b) No [ ]

2. If yes, do you belong to any of such association(s)? (a) Yes [ ] (b) No [ ]

3. If no, why? Please specify………………………………………………………………………………………………………………………………………………………………………………………

41
4. How do you benefit from such association(s) if any? (a) credit/loan (b) training (c) moral support (d) others (specify) ......................................................

5. Do you pay tax(es) to the assembly? (a) Yes [ ] (b) No [ ]

6. If yes, how much? Please specify..............................................................

7. Do you benefit from the tax (es) you pay? (a) Yes [ ] (b) No [ ]

8. How do you benefit? Please specify..............................................................

9. Have you heard of any intervention/empowerment programs from the government? (a) Yes [ ] (b) No [ ]

10. Which of the interventions or programs? Please specify.................................

11. Have you benefited from any of such interventions/programs? (a) Yes [ ] (b) No [ ]

12. If yes, how? (a) Loan/credit [ ] (b) Training (c) others (specify).........................

13. If no, why? Please specify..............................................................................

14. When do you intend to stop this activity? Please specify.............................

B. INTERVIEW GUIDE FOR THE DISTRICT PLANNING AND COORDINATING UNITS

1. Does the District assembly regulate the activities around the road tollbooths?...........

   a. If yes, how?

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   b. If no, why? ........................................................................................................

2. Does the assembly provide intervention/empowerment programs for the operators?........
a. If yes, what are these intervention/empowerment programs?
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b. If yes, how have these intervention/empowerment programs benefited these operators?
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c. If no, why?
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d. If no, has the district assembly planned for any intervention/empowerment program(s) for them?


e. If yes, what are these intervention/empowerment programs?

i........................................................................................................................................................................................................

ii........................................................................................................................................................................................................

iii........................................................................................................................................................................................................

3. Does the District Assembly receive any tax(es) from the operating activities?

a. If yes, how much?

b. Does the assembly face any challenge in collecting taxes from these operations?

c. If yes, how?

4. Do these activities contribute to Local Economic Development?

5. If yes, how?

i........................................................................................................................................................................................................

ii........................................................................................................................................................................................................

iii........................................................................................................................................................................................................
6. Does the district face any challenge with regard to these activities around the tollbooths? .......

a. If yes, what are these challenges?

i...............................................................................................................................ii.............................
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b. How does the assembly intend to reduce/solve these challenges?

i...............................................................................................................................ii.............................
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7. How does the assembly intends to improve these activities so as to promote Local Economic Development?

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C. INTERVIEW GUIDE FOR THE GHANA HIGHWAY AUTHORITY

1. Does this institution regulate the trading activities around the road tollbooths? ......................

2. If yes, how? ....................................................................................................................

3. If no, why? ....................................................................................................................
4. Do these trading activities pose any challenge(s) to the operations of the tollbooths or vehicular movement.........................

5. If yes, how?
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6. How do you intend to reduce/solve these challenges?
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7. Has anything been done to remove these traders from where the tollbooths are located?...........

8. If no, do you intend to remove them?.................................................................

9. If yes, how do you intend to do that?.................................................................

10. Have your institution planned for trading activities around the tollbooths?.............