

## **The Influence of Government Policies on Tourism Performance In West Pokot County**

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### **Abstract**

The study focused on the influence of government policies on tourism performance in West Pokot County, Kenya. The study was guided by the following variables: policy framework, provision of infrastructure, provision of amenities and conducive taxation strategy. The theory guiding this study was consumer choice theory. Descriptive research design was used for the study. Target population consisted of employees of hotels, officials of tour firms and officers in the ministry of tourism in the County Government of West Pokot. Systematic stratified sampling was used and a total of 41 respondents selected. Structured questionnaires were used to collect data from the respondents. Data was analyzed using descriptive and inferential statistics. The study established that government policies should have a conducive taxation strategy to attract more investors in the tourism industry, local governments play an important role in promoting sustainable tourism development by providing infrastructure and amenities hence increasing tourism performance to a very large extent. The study recommends that government policies should be friendly. Another study could be done on challenges facing domestic tourism which was not part of the study.

**Key Words:** Government policies, Development strategies, Global economy

### **1. Introduction and background**

According to United Nation World Tourism Organization (UNWTO) (2012), development agencies and policymakers are increasingly advocating tourism as an effective way to reduce poverty in least-developed countries. The tourism industry is the world's largest and most multifaceted institutional industry (UNWTO, 2014). Many nations rely on tourism industry as a key source for foreign exchange, private sector growth, infrastructure development, and poverty alleviation in terms of employment opportunities and improvement of the welfare of the people in tourist destinations (UNWTO, 2014). Tourism development has often been undertaken as a last resort by communities which have few remaining resources to exploit other than the expanse that surrounds them (Hall, 2005). Despite mixed results, tourism persists as a tool for regional development but with a more carefully considered approach needed. This includes understanding that tourism growth is limited and is the only part of regional development strategies (Saarinen, 2003).

According to UNWTO (2012), tourism economy has expanded consistently over the last few decades with global international arrivals reaching one billion annually in 2012. An increase in demand met by a general growth in business activities has seen many regions develop the tourism economy, usually as part of broader regional development strategies. Tourism has reached almost all regions of the world and has had a notable growth in the peripheral regions of Europe where many communities traditionally are dependent on the primary sector find themselves adapting somewhat to the tertiary (service) sector including tourism (UNWTO, 2012).

According to the World Tourism Organization (WTO) (2010), France, USA, Spain, China, Italy, UK, Ukraine, Turkey, Germany and Mexico are considered as countries with majority of tourist around the world. Overviews of previous empirical studies on international tourism demand revealed that tourists' income, tourism prices in a destination relative to those in the origin country, tourist prices in the competing destinations and exchange rates were the most significant determinants of international tourism demand. Regarding the popularity of the countries mostly visited, European continent continues to be on the top of the list (WTO, 2010). The Asian countries are considered as secondary choice for tourism (Song, H. & Lin, S. 2010).

Africa has continued to improve on tourism like other continents. According to UNWTO (2014) forecasts, international tourist arrivals was to increase of 3% to 4% in 2013, this forecast was so much in line with its 2030 long term forecast: +3.8% a year on average between 2010 and 2020. This report is confirmed by the UNWTO Confidence Index. Optimism about tourism's future growth worldwide, combined with Africa's small current market share and its internationally known resource legacy for tourism, is leading several countries to consider ways in which tourism could accelerate economic growth and diversifies their economies. The sub-Saharan Africa's tourism potential is essentially unfulfilled, and can be attributed to basic transport network, the common poor organizational framework, and the little level of industry development of most countries (Boniface & Cooper., 2009). However, some African countries have identified tourism as an area for expansion to attract foreign currency and enhance their economic situation. This has been most manifested in southern Africa and some of the Islands of the Indian Ocean, but most of the countries of West and central Africa have been less successful (Boniface & Cooper, 2009).

Government policies are plans that set specific goals and objectives within an organization. They are capable of being changed in response to shifting market dynamics (Bhatia, 2007). Any governments should formulate tourism development strategies because the tourism industry has many negative externalities, in particular negative social and environmental impacts that need to be regulated and managed at national or local levels (Gautam, 2007). Secondly, tourism can offer major opportunities for local economic development, which can enhance the positive effects of tourism on local socio-economic development and poverty reduction. Local government plays an important role in promoting sustainable tourism development by providing infrastructure and amenities which the sector requires and also allocating a budget for the development of tourism as well as investment (Gautam, 2007). It is important that the ministry of Tourism should ensure accountability for responsible and ethical forms of tourism development (Equitable Tourism Options Equations, 2010).

Tourism is known as one of the world's leading industries globally and has an impact on a wide variety of economies, in both the developing and the developed world. There is growing awareness of this importance for a number of governments. Many countries generate huge sum of money due to the occurrences and relationships arising from the interaction of tourists, business suppliers, host governments and host communities in the process of attracting and hosting these tourists and other visitors. Tourism income occupy an important place in the national income of a country (Bhatia, 2007).

In Kenya, tourism is the fastest growing industry and is currently the second highest foreign exchange earner after tea (GOK, 2004). Its receipts grew from United States dollars (US\$) 699 million in 2005 to US\$ 803 million in 2006 (UNWTO, 2007). Unfortunately, tourism in Kenya is spatial and only few regions receive a substantial number of tourists. Kenya is predominantly a nature-based tourism destination with wildlife concentrated in southern part of the country and beaches along the Indian Ocean, and therefore they have become the hot spots that exist in Kenya. The rest of the country including the West Pokot region is less visited by tourists. Statistics indicates that the coast receives 60% of all the tourists in the country while the Western Kenya Zone including West Pokot region receives a paltry 2% (GOK, 2004) yet West Pokot region is endowed with diverse tourist attraction sites which include Nasolot game reserves, scenic escarpments such as Marich escarpment, Kaisagat view point, Mtelo and Koh hills, Turkwell dam, culture and artifacts in Kapenguria museum, curio shops and a proud home of infamous "Kapenguria Six cells found in Kapenguria Museum. It was upon this background that this study aimed at establishing the role of government policies on tourism performance in West Pokot County.

## **2. Theoretical Framework, Methodology and Data Analysis**

### **2.1. Theoretical Framework**

The theoretical framework that was adopted in regards to this study was the consumer choice theory that provided an understanding about purchasing decisions of consumers and how changes in price and income affect the demand of products. This particularly included the concepts of consumers' preferences and their budget constraints (Pindyck,2005), Consumer preferences refer to people's consumption habits, therefore, explaining why certain tourist sites are preferred over others. Due to the wide range of comparative products, in economics rather the term market basket is used, which is a list of specific quantities of one or more goods. In order to understand consumers' purchase decisions, basic assumptions about customer preferences are required. Firstly, preferences must be complete, which means that all baskets must be comparable and, thus, able to being ranked. Secondly, preferences are transitive; that is if tourist site A is preferred to tourist site B, and B to C, then also A is preferred to C. Thirdly, it is assumed that goods are desirable, and, therefore, people tend to demand more of a particular good than less (Pindyck,2005). The variables adopted in this study are policy framework, provision of infrastructure, provision of amenities and conducive taxation strategy. The theory supports the Government Policies on Tourism performance variable. There is need for the Governments to safeguard tourism development strategies both locally and internationally. Governments have doubled their efforts in identifying and planning tourism improvement with focus on empowering poor communities at the same time laying emphasis on stimulating the cooperation and partnerships within local areas. Government intervention enhances the contribution of tourism to socio-economic development and poverty reduction. One of the principal roles of governments is to set policy and legislative frameworks for tourism. The government should be involved in planning, coordinating and implementation of national tourism policies with the balance of regional development (Gautam, 2007).

The governments should formulate tourism development strategies since the tourism industry has many negative externalities, in particular negative social and environmental impacts that need to be regulated and managed at national or local levels. Secondly, tourism can offer major opportunities for local economic development, which can enhance the positive effects of tourism on local socio-economic development and poverty reduction. The role of local government with regard to promoting sustainable tourism development by providing infrastructure and amenities cannot be ignored. They allocate budgets for the development of tourism as well as investment (Gautam, 2007).

As tourism moves up the national agenda, the government departments dealing with tourism need to be upgraded in order to achieve sustainable management of tourism. The tourism ministry needs coordination, networking and support from other ministries. Tourism ministries have to be observant to the impact of institutional fragmentation on the governance of tourism. This ministry's core purpose is to ensure those tourism policies, planning, coordinating and monitoring of tourism development benefits in the country and improves economic growth. This ministry should make sure that tourism policies result in sustainable, responsible and equitable tourism development paying attention to domestic and international tourism (Equitable Tourism Options, 2010). The ministry also has to ensure responsible global citizen preventing trafficking, child labour and biodiversity protection (Equitable Tourism Options,2010).

## **2.2 Methodology**

This study used descriptive survey design to establish the influence of government policies on tourism performance in West Pokot County. Descriptive study seeks to obtain information that describes phenomena by asking individuals about their perception, attitudes, behavior or values, (Mugenda & Mugenda, 2003). Moreover, descriptive designs are concerned with finding out the who, what, where and how of a phenomenon that exists which is the concern of this study. This design was therefore appropriate as the researcher was in a position to establish the role of development strategies on the performance of tourism in West Pokot County. The population for the study included the three-star hotels, tour firms and from Ministry of tourism West Pokot County government. The study picked this population because they are the main stakeholders in the tourism industry.

According to Cramer & Howitt (2011), a sample is a set of entities drawn from a population with the principle of estimating the characteristics of a target population. Therefore, a study should have a representative sample. According to Coopers & Schindler (2008), systematic stratified sampling is whereby the population is first divided into strata, and then the study samples are then drawn from every stratum. Stratified sampling technique was used to group the respondents into different categories from which study samples were drawn. Purposive sampling technique was used to sample employees from the ministry of

tourism and tour firms. The technique was considered appropriate as only those who were perceived to have information required for the study were considered. Gay (2003), suggested that 10% of the accessible population is adequate to serve as a study sample. Basing on Gay's idea the researcher therefore considered a sample size of 20 employees to be representative of the hotel category. A total of 41 respondents were targeted by the study constituting of 20 hotel employees, 16 employees from the ministry of tourism and 5 tour firms managers.

Questionnaires were used as instruments for data collection. In the selection of the instrument to be used in the study, the researcher ensured that the instrument chosen was suitable and appropriate. The researcher used questionnaires due to their characteristic that they can be used to capture large amounts of data which may contain both quantitative and qualitative data. Questionnaires are useful instruments of collecting primary data since respondents can read and then give responses to each item and they can reach a large number of subjects (Orodho, 2004). Questionnaires were used to collect data from the employees of three-star hotels, officials of tour firms and employees in the ministry of tourism West Pokot County. Closed ended questionnaires were used to collect data for the study. The questionnaires were divided into five sections whereby each section addressed questions to achieve each of the specific objectives of the study. Given time constraints, the use of questionnaires is ideal for collecting data (Onen & Oso, 2008). Content validity was determined through consulting a team of experts in the field of research. Content validity is concerned with sample population representativeness meaning that the knowledge and skills covered by the test items should be representative to the larger domain of knowledge and skills. Pilot testing was done to determine the suitability, clarity and relevance of the instruments for the final study. Ambiguous and inadequate items were revised after pretesting in three star hotels outside the area of study, in order to come up with the required information and to improve the quality of the instruments.

Reliability was measured using Cronbach and alpha. According to Nunnally (1978) a correlation co-efficient of 0.7 is high enough to judge the instruments as reliable for the study. In this test Cronbach Alpha (0.7) was used, therefore the research instruments were deemed reliable. The researcher administered the instruments personally to the respondents who were given ample time to respond to the questions. This was to ensure achievement of a good response rate and gave the respondents a chance to sought clarification on items which might prove difficult to answer.

### **2.3. Methods of Data Analysis**

Quantitative data collected was analyzed, presented and interpreted using both descriptive statistics and content analysis techniques was used to analyze qualitative data collected using interview schedules. Descriptive statistics such as means, standard deviation, frequencies and percentages were used to describe the data. The analyzed data was presented in form of tables, pie charts and bar graphs. Linear regression analysis was computed to establish the relationship Government policies and Tourism performance. The computer program SPSS (Statistical Package for Social Science) Version 17.0 was used to analyze the data.

## **3.Results**

### **3.1. Descriptive Statistics on influence of Government Policies on Tourism Performance in West Pokot County**

These are as presented in the following sub-sections. Respondents were asked to indicate to what extent they agreed that government policies affect tourism performance. This was on a scale of 1-5, 'no extent at all' (1); 'small extent' (2); 'neutral' (3); 'large extent' (4); 'very large extent' (5). The findings were as presented in Table 3.1

**Table 3.1 Influence of Government Policies on Tourism Performance**

	No extent at all (%)	Small extent (%)	Neutral (%)	Large extent (%)	Very Large extent (%)	Mean	Std. Dev
The government should be involved in planning, coordinating and implementation of national tourism policies with the balance of regional development.	0	10.5	0	26.3	63.1	3.89	1.03
Local government plays an important role in promoting sustainable tourism development by providing infrastructure and amenities which the sector requires hence increasing tourism performance.	0	7.9	0	36.8	55.3	3.53	.647
The local government should allocate a budget for the development of tourism as well as investment.	0	0	0	0	100	0	0
The government policies should have a conducive taxation strategy to attract more investors in tourism industry.	0	21.1	10.5	0	68.4	4.26	1.101

The findings established that most (63.1%) of the respondents indicated that the government should be involved in planning, coordinating and implementation of national tourism policies with the balance of regional development to a very large extent. On the other hand, 10.5% of the respondents indicated that the government should be involved in planning, coordinating and implementation of national tourism policies with the balance of regional development to a small extent. The mean score of 3.89 showed that generally the respondents agreed that the government should be involved in planning, coordinating and implementation of national tourism policies with the balance of regional development to a very large extent. There were no variations in responses (standard deviation  $\leq 1$ ).

This analysis indicates that most (55.3%) of the respondents indicated that local governments plays an important role in promoting sustainable tourism development by providing infrastructure and amenities hence increasing tourism performance to a very large extent. While, 7.9% of the respondents indicated that local governments plays an important role in promoting sustainable tourism development by providing infrastructure and amenities hence increasing tourism performance to a small extent. The mean score of 3.53 showed that the respondents agreed that local governments plays an important role in promoting sustainable tourism development by providing infrastructure and amenities hence increasing tourism performance to a very large extent. There were no variations in responses (standard deviation  $\leq 1$ ). From the findings it can be said that infrastructure and amenities are crucial in attracting investors hence improving tourism performance.

The study revealed that all (100%) of the respondents agreed that the local government should allocate a budget for the development of tourism as well as investment to a very large extent. From the findings, it can be interpreted that allocation of resources is paramount to the performance of tourism.

Majority (68.4%) of the respondents agreed that the government policies should have a conducive taxation strategy to attract more investors in the tourism industry to a very large extent. The study also found out that 21.1% of the respondents agreed to a small extent that the government policies should have a conducive taxation strategy to attract more investors in the tourism industry. The high mean score of 4.26 clearly indicates that the respondents generally agreed that the government policies should have a conducive taxation strategy to attract more investors in the tourism industry to a very large extent. There were no variations in responses (standard deviation  $\leq 1$ ). From this analysis, it can be concluded that the taxation strategy affects tourism performance.

### 3.2 Regression Analysis

#### 3.3. Influence of Government Policies on Tourism Performance in West Pokot County

The study sought to determine the relationship between government policy and tourism performance using regression. The findings are presented in Table 3.3.

**Table 3.3: Regression of Government Policy and Tourism Performance**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.373	.335		4.094	.000
Government policy	.765	.079	.850	9.698	.000
R Square	.723				
F-statistics	94.058	Sig. 000			

a. Dependent Variable: Tourism Performance

The results show that the coefficient of determination was 0.723, implying that 72.3% of the variation in the tourism performance is explained by government policies. The result further show that the significance for F statistics is 0.000 implying that the test was statistically significant as the p-value is less than 0.05. The beta coefficients show that there was a strong and positive significant relationship between government policy and tourism performance. The result is interpreted as a unit change in government policy will result into a 0.765 change in tourism performance.

The findings of this study show that there is a strong relationship between the government policy and tourism in Pokot County. The government policy that is in favour of the tourism seems to influence positively the good performance of tourism in west pokot thus needs to be encouraged (Fleischer and Buccola 2002) in a similar study found that the government policy and tourism have common bearing and that policies play a great role in boosting tourism.

### 4. Conclusion

From the findings it can be concluded that government policies influences the performance of tourism in West Pokot. Moreover, government policies define the way the tourism issues need to be administered by hotels so that it can increase tourism performance. In addition, it can be concluded that government policies on provision of infrastructure enhances the contribution of tourism to socio-economic development. The study further concluded that the provision of amenities has significantly influenced how the hotels operate since the accessibility to their premises is assured. It can further be concluded that conducive taxation strategies influence tourism performance. The West Pokot County in Kenya is known for the constant cattle rustling and weapons smuggling, but with proper government policies and structures the performance of tourism in West Pokot, Kenya can be improved.

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