

# An Impact Assessment of Maritime Ports on Communities – A Case of Tema Port and Tema Newtown, Ghana

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## Abstract

The adoption of Sustainable Strategic Management (SSM) principles by some port organizations offered them opportunities to serve their local communities, and with that, gained acceptance from them. They also gained international recognition which further created opportunities of competitive advantage for them. In light of the trend, this research in 2009, sought to assess the impact which the Tema Port had had on the Newtown Community in that decade. By means of analyzed data from people in the Community, Traditional Leaders and the Port Authority, it was realized that the Port being in the Newtown locality was of monumental significance to the Community. Even though the Traditional Leaders did not expect much support from the port, the ordinary people in the Community thought otherwise. The Community had many expectations from the Port such as maintaining a hygienic environment. It was interestingly revealed that the fisher folk in the Community could support Port business by watching over ships in the Port's waters against robbery attacks. The Port Authority had supported many national initiatives, but there was no much physical evidence to demonstrate its commitment to CSR in the Newtown Community in that decade. For a mutually beneficial relationship with Newtown; and if it became their desire to adopt SSM (*i.e. to gain international recognition and competitiveness*), Port's Management was recommended to implement periodical CSR programs for Newtown, involve indigenes in providing informal seafront security and spearhead the unification of organisations located in the Ports zone to collectively contribute to develop Newtown.

**Keywords:** Sustainable strategic management, Newtown Port Community, mutual beneficial relationship.

## 1. Introduction

A number of authors and experts in the field of port management have in many ways attempted to explain, as well as provide definitions for ports. Many of those definitions perhaps may have well matched particular port practices in particular countries within particular periods. For this reason they may not have reflected the full picture of what ports really were, or what they have evolved to become. In other words those definitions have had limitations. UNCTAD (2009), after much research in the field of 'modern management of ports, stated the following as a concept to reflect recent trends: - that *maritime ports were geographic and economic entities,, with specific names, located on sea sides, rivers or lake sides, serving ships, and where transfer of goods and passengers take place from water to land transport and where facilities could be found on land and water to render complementary services required by the ships, goods and for developing international trade, industry and more generally the economy of the countries under the zone of their influence.*

The UNCTAD concept of maritime ports was adopted for this paper. Of particular interest in that concept was 'the vital role which ports play in the economy of countries under the zone of their influence'. Even though the concept generally referred to the 'impact' which ports could have on countries, studies on a number of ports showed that 'port socio-economic impact' is also significantly realized in the immediate communities where they are located. This concept is synonymous with the management of businesses internationally, where it is imperative for the success and recognition of a business, that it manages its surrounding environment as well. According to Robbins S. P. et al (1998), society expects the obligations of firms to go beyond that required by law and economics to pursue long-term goals that are ethical to the environment.

## 2. Literature

It is worth noting what seems to be a relatively recent global indicator for measuring the level of success of countries and organizations. According to Stead, E. W. et al (2004), humans had for the past 350 years viewed GDP as a measure of pure good regardless of what it actually constituted. They said that the desire for economic growth had been raised to mythic proportions, but it left out the effects on the environment as well as personal and societal wealth. Stead et al gave an account of Bill Ford's pledge in 2000, where he made a commitment of his automobile company to corporate citizenship, by setting an objective for his company to become a leader in corporate citizenship. Bill was reported to have said that "corporations can only be as successful as the communities in which they existed in".

For similar reason, it is not surprising that some ports around the world yielded so much to ensure that their objectives set in the area of corporate social responsibility are achieved. An example of such ports is the

Dublin Port. The Dublin Port was said to have supported a number of social, environmental, sporting and educational initiatives in their local community. For that reason and others, the port company enjoyed healthy links with its community (Dublin Port 2010).

## 2.1 Overview of sustainable strategic management

Prominent organizations around the world have earned international recognition and competitive advantage as they resorted to adopt principles of Sustainable Strategic Management. Sustainable Strategic Management (SSM) depicts a paradigm shift from the traditional ideas of management where only organizations' contribution to GDP is considered to be the measure of pure good. SSM principles acknowledge that global economic activities are all 'functions' within the natural and social boundaries of the planet. SSM asserts the philosophy; *that a healthy flow of economic activities can be sustained for posterity only if decision makers operate under the paradigm that economies serve the needs of the greater society within the limits of nature* (Stead, E. et al 2004). Stead et al (2004) described SSM as management of human institutions in ways that meet the needs of the present without compromising the ability and of future generations to meet their own needs. In the Stead's view, "sustainability" encompassed three dimensions:- the economic, ecological and the social dimensions.

The Steads (2004) viewed the world as having succeeded with economic pursuits, as the gross world product continue to multiply. Though faced with diverse challenges, there is also evidence of efforts by the World's United Nations through programs and international organisations such as the United Nations Environment Program (UNEP) and the International Maritime Organisation (IMO) respectively to progressively work towards ensuring environmental sustainability. The Steads related social sustainability to issues related to population growth, world literacy rates, education, human rights and human health amongst others. They believed that the gaps that exist between developed and developing economies, and that between the rich and the poor in societies, with regards to those factors had to be bridged if social sustainability was to be achieved. In summary, the Steads proposed with the SSM philosophy that; organizations apply an integrated and non – discriminatory (*or equally weighted*) approach to managing the three main dimensions of sustainability, which in the long run would uplift the recognition and marketing image of organizations globally.

The adoption of SSM in today's business world has arisen from the need for 'trust' to be rebuilt between organizations and society. As business organizations can only be located in society, it is only proper that they must be accepted and protected by it; otherwise the same society pushes them out.

The Tema Port in Ghana was commissioned in 1962. It was part of the Government's plan to industrialize the country when it took possession of 64 square miles (166 square km) of land north of the harbour and entrusted it to the Tema Development Corporation (1952). A large portion of this land was owned by natives whose occupation was mainly fishing. The native fishing community was resettled in an area close to the harbour which is known as Tema Newtown, and can be described as the port's local community (ghanaexpeditions.com, 2010).

## 3. Research statement and objectives

Tema Port has been very strategic in the nation with respect to economic development. The Port under its Authority is compliant with international standards for a sound environment. The Port's attitude to corporate social responsibility especially in its immediate community has the propensity raise its renown and competitiveness worldwide.

Research was embarked upon in 2010` to assess the levels of commitment of the Tema Port to the local Newtown Community. The research generally provided an overview of the level of commitment of Tema Port to CSR over that decade, by assessing the port's efforts and policies in that regard towards Newtown.

Primary data was collected form samples drawn from the Newtown community and from the Port Authority (i.e. the Overseer of Tema Port). Two categories of data were collected from Newtown. These were: - views of ordinary people on the `responsiveness of the Tema Port towards CSR in the community and views of the Traditional Leaders in that same regard. With the application of simple summations and percentages, tables and graphs were generated to provide comprehensive statistics that provided detailed insight to the views of ordinary people from Newtown Community on the subject. Specific views of key officials from the Newtown Traditional Leaders and the Port Authorities were also collected through interviews. The details of the findings and analysis are presented below.

## 4. Findings and data analysis

### 4.1 Views from the Newtown Community

Out of a hundred (100) questionnaires sent to the field to solicit the views of natives of Newtown about the impact of the Port of Tema, ninety six (96) responses were returned. Below are summaries of the findings.

### Biodata of the sample

Table 1 Sex / Education [ cross tabulation ]

	Primary	Secondary	TETIARY	Vocation/Technical	Professional	None	Total
<b>MALE</b>	<b>13</b>	<b>19</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>7</b>	<b>48</b>
	14.30%	20.90%	8.80%	1.10%	0.00%	7.70%	52.70%
<b>FEMALE</b>	<b>15</b>	<b>16</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>43</b>
	16.50%	17.60%	4.40%	1.10%	1.10%	6.60%	47.30%
<b>TOTAL</b>	<b>28</b>	<b>35</b>	<b>12</b>	<b>2</b>	<b>1</b>	<b>13</b>	<b>91</b>
	30.80%	38.50%	13.20%	2.20%	1.10%	14.30%	100.00%

Table 1 summarizes the sexes and the education range of the sample. The highest of 52.70% interviewed were men. The highest education level amongst the sample was secondary education – 38.50%. Forty five percent (45%) of the sample had either no education or primary education. This depicted generally low education levels amongst the inhabitants, which could imply that they had relatively low conceptual skills for initiating or promoting community development.

About 96% of the sample lived in Newtown having lived there for periods ranging between one year and fifty years. Some people had lived there all their lives. Eighty six percent (86%) either worked or schooled there too.

#### 4.1.1 Knowledge and views about the Port

Respondents' appreciation of the port being located in Newtown was very high. Reasons for the appreciation included the following:

Many commercial activities had sprung up in the area providing jobs for people, major jobs mentioned included fishing and fish mongering. Some infrastructure such as roads had been developed in the area. The area had become popular and recognized in the country. Table 2 summarizes the feedback with respect to the levels of appreciation of the port.

Table 2 Years of Stay / Appreciation of Port location – Newtown [ Cross tabulation ]

Year range		VERY WELL	WELL	FAIRLY	NOT AT ALL	Total
1-5	Count	<b>9</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>14</b>
		9.70%	2.20%	0.00%	3.20%	15.10%
6-10		<b>4</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>11</b>
		4.30%	4.30%	2.20%	1.10%	11.80%
11-20		<b>7</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>15</b>
		7.50%	8.60%	0.00%	0.00%	16.10%
21-30		<b>4</b>	<b>7</b>	<b>3</b>	<b>3</b>	<b>17</b>
		4.30%	7.50%	3.20%	3.20%	18.30%
31-40		<b>2</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>10</b>
		2.20%	4.30%	4.30%	0.00%	10.80%
41-50		<b>7</b>	<b>7</b>	<b>3</b>	<b>3</b>	<b>20</b>
		7.50%	7.50%	3.20%	3.20%	21.50%
51-60		<b>1</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>5</b>
		1.10%	2.20%	2.20%	0.00%	5.40%
61+		<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
		0.00%	1.10%	0.00%	0.00%	1.10%
Total		<b>34</b>	<b>35</b>	<b>14</b>	<b>10</b>	<b>93</b>
		36.60%	37.60%	15.10%	10.80%	100.00%

#### 4.1.2 Impact of the Port on the community

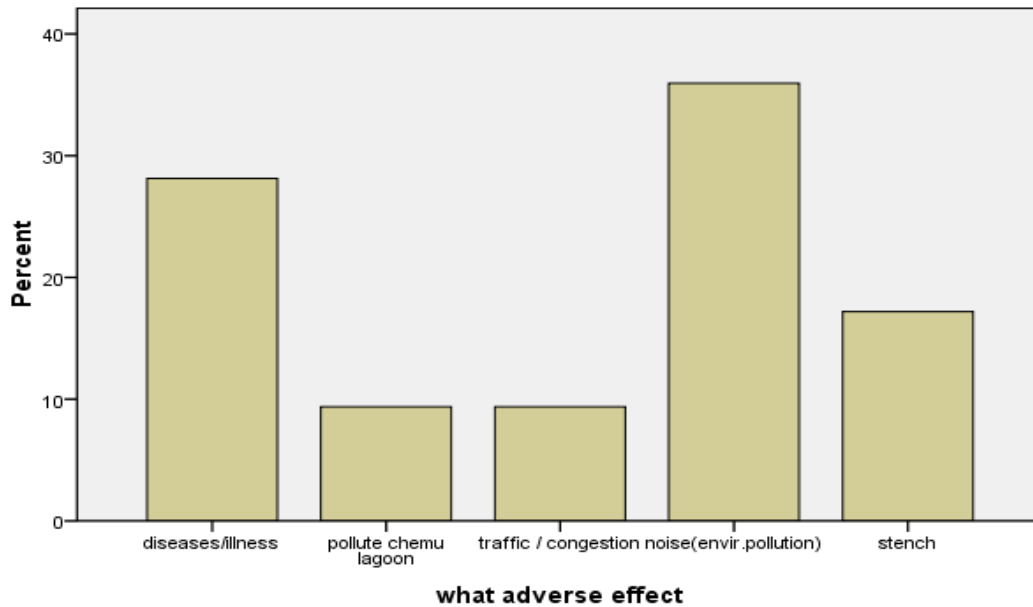
Sixty-seven percent (67%) of respondents thought there had not been any significant contribution from the port to the community ten years prior to the research. Thirty three percent (33%) mentioned contributions such as the provision of a landing place for fishermen, employment – directly and indirectly for natives, development of community roads and bringing recognition to the community. It was also mentioned that Newtown had become a tourist attraction.

#### 4.1.3 Adverse impact of Port on Community

Adverse effects of the port on the community were found to include waste pollution, noise, traffic and facility and equipment congestion. Disease was also mentioned. The distributions of the responses collected were as shown in fig 1 below. The major source of worry for people was alleged to pollution resulting from port operations. It is interesting to note that though not the culprit, the port was blamed for pollution of especially the Chemu Lagoon. Personal observation revealed that pollution in the lagoon was also a result of waste discharge

from industries in the area. People’s views were somehow be understandable because the port was the most visible organization in the area where they experience pollution greatest.

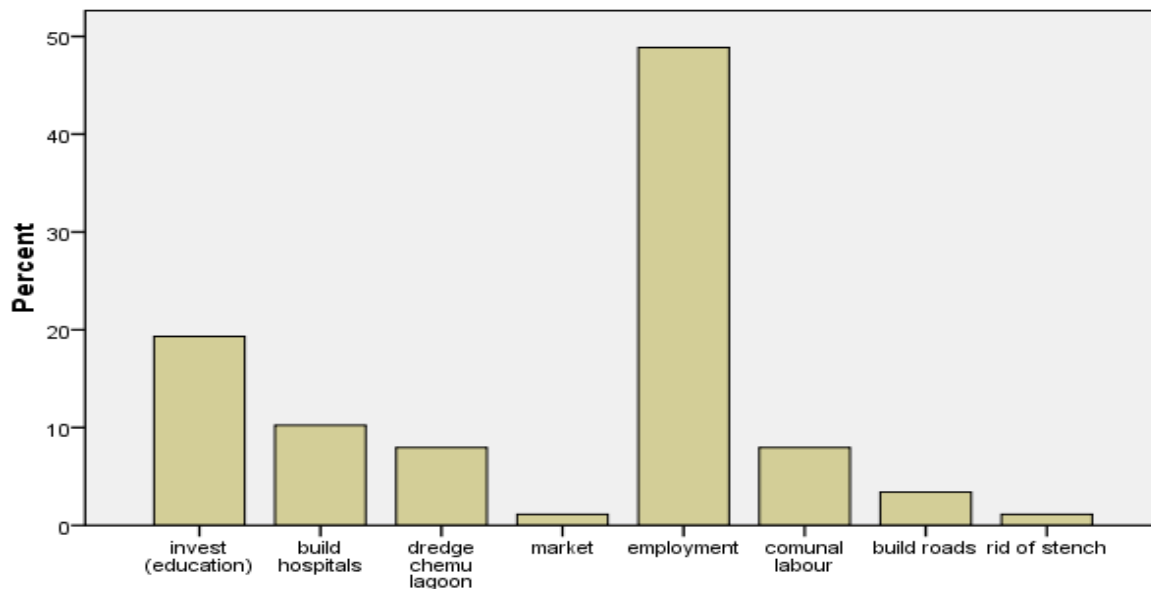
Fig 1



#### 4.1.4 Expectations from the port

A comprehensive summary of responses received from the various age groups of people interviewed with regards to their expectations from the Port is shown in fig 2. Their expectations included creation of employment, pollution riddance, support f or education and medical facilities.

Fig. 2



#### 4.2 Views of Traditional Leaders of Newtown

The Leaders were very proud to have the major port of the country located on a large portion of their land. They acknowledged the recognition accorded them by the Port, to the extent that it was mentioned that some tug boats belonging to the Port had been named after the town. They also acknowledged the financial support for projects such as the rehabilitation of the Royal Palace and some equipment expenditure. Beyond that, the leaders could not readily recollect any projects in Newtown that was sponsored by the Port eighteen years prior to this research. It was noted with interest that the Traditional Leaders had always looked to Government for support

for the development of the community and not the Port.

The Leaders believed that the Port could support education of young people in the community. They also believed that through a collaborative effort, they could be of support to the port in two main ways:- firstly, providing labour and secondly, helping in the fight against the menace of pirate attacks on ships visiting the Port.

#### **4.3 Response of the Port Authority on CSR commitment to Newtown**

It was noted that the Ghana Ports Authority did not have a policy on CSR for Newtown. The Authority however acknowledged the need for a CSR policy for Newtown for three reasons. 1) The port was cited in their territory, 2) Newtown could be counted amongst the most deprived communities in the Tema metropolis and 3) many Port workers lived in Newtown. No specific account was given in respect of the Authority's contributions towards corporate and social responsibility in Newtown in the decade prior to this research. However, mention was made of extensive contributions such as cash donations towards festivals, purchase of sport equipment, rehabilitation of education facilities, award of scholarships and rehabilitation of Chiefs palace in the last twenty-four years. This was probably in line with the Ports marketing strategies at that time, which were: - 'cause-related marketing' and occasionally 'event-related marketing'.

The Authority asserted to have an intimate relationship with Traditional Leaders of Newtown because that relationship was necessary for both the Port and the Community. To the Port, Newtown was a development partner from whom land could be acquired. On the other hand, the Authority could continue to support initiatives as mentioned above.

### **5.0 Conclusion and recommendations**

#### **5.1 Conclusion**

As regards to documented evidence, the Port Authority demonstrated having offered quite some support for the social needs of the Ghanaian society in general. However there was no significant physical evidence of that support particularly to the Newtown Town Community a decade prior to the research. That could have been a result of the Authority's approach to the subject of CSR (i.e 'Cause-related marketing' which mostly involves making donations to support needs based on request).

The Authority considered Newtown as one of the most deprived communities in the Tema Municipality. Notwithstanding, they had always recognized that community as an important development partner, for which reason they had fostered an intimate relationship between them. The approach to the relationship to a large extent had been for the Authority to satisfy the needs of the Traditional Authorities. Those findings could explain the outcome of the research where the traditional authorities acknowledged the ports support, whilst the natives of the area and they researcher could conclude that the Port Authority had in the past neglected the development of its immediate backyard community.

It was quite understandable that the kind of port ownership and organizational structure and its accompanying bureaucratic decision taking processes, could have encouraged a nation-wide distribution of the Port's resources which is available for Corporate Social Responsibility. Nevertheless, a larger sector of international and national society may not appreciate the reasons why no physical evidence of sustainable support from the Authority its immediate local community existed.

As the pride of the Newtown people, the port enjoyed their goodwill. The community looked up to the Port for developmental support. The Port Authority's interest in Newtown was probably swayed by the belief that it could acquire lands from them for expansion purposes. But the research clearly found that there were other benefits to be derived:-

- As natives of the area, their knowledge about the ocean close to their territory and their control of it could be used to the advantage or left to the disadvantage of the port. To explain further, the natives on one hand, by virtue of the above have the ability perpetuate the act of robbery on visiting ships and on another other hand could act as an extra eye protecting the port and ships visiting it from the menace. Therefore the Port Authority if so desires, could collaborate with the Community to their advantage. This view was upheld by the Newtown traditional authorities.
- In line with the principles of sustainable strategic management, the port could also gain international recognition and acceptance, which would ultimately enlarge its market share, if it seriously considered the social development of their immediate community for posterity. This could be the same as the situation in prominent ports such as the Dublin Port, where their achievements with Corporate Social Responsibility is aggressively marketed to the admiration of all their stakeholders.

#### **5.1 Recommendations**

Events and issues that promote environmental and social sustainability dominate in the world today. They have thus become very important criteria influencing decisions and choices in the management of many businesses.

Aside that, the world has become what is being described as a global village, where news of ‘activity’ and ‘inactivity’ of corporate entities spread like wild fire influencing the choices of their existing and potential clientele in the very competitive world economy. For those reasons, the following recommendations were made:

The idea gained by the Public Affairs Sector of the Ghana Ports Authority to develop a plan to manage issues of Corporate and Social Responsibility was a step in the right direction. A gradual adoption of the ideologies of sustainable strategic management as was being done by many prominent organizations in the world was also important.

The Authority could further put in place policies and plans which would allow it to lead a crusade of the uplifting their Newtown Community in the Tema Port’s Industrial cluster. That had the potential of strengthen the friendly ties that existed between the cluster and Newtown. It could also raise the international recognition of the port. The aspect of recognition once gained, could be vigorously publicized the same way other international ports do, which then translated into competitive advantage for them, created a basis for their acceptance in their localities and also led to their local communities protecting their interest.

Ghana Ports Authority could collaborate with the Consultancy and Research Unit of the Regional Maritime University to conduct extensive research on developing a strategy to how the Newtown community can help in the watch and protection of ships the waters and visiting ships from petty stealing before they develop into full blown and sophisticated acts of piracy.

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