

**SOCIAL AND ECONOMIC BENEFITS OF TOURISM TO THE LOCAL
COMMUNITY OF SANTIAGO CITY**

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ABSTRACT

This study was conducted to determine the social and economic benefits of tourism to the Local Community of Santiago City. The descriptive research design was employed using survey questionnaire and structured interview in gathering the data. There were one hundred five participants (105) comprising of LGU employees involved in tourism planning, project formulation and policy making; people who are directly involved in tourism business such as travel agencies, food industry, hotel and resort establishments; and local entrepreneurs such as souvenir shops and shops offering locale delicacies and independent providers of other tourism products and services. Frequency, percentage, weighted mean and the Likert scale were used for the statistical data analysis. On the other hand, thematic analysis was used for the interpretation of the participants' responses as regards the interview questions. Results showed that individuals, families and the community as a whole enjoy the social benefits of tourism to a great extent while the tourism benefits to the local economy of Santiago City was rated to a great extent using the areas of individual income, employment, foreign exchange, infrastructure, foreign investment, local entrepreneurship and tax revenue as bases.

Keywords: *Social and economic benefits, tourism, local community*

INTRODUCTION

The tourism Industry is growing rapidly in many developing countries. Over the past decades, international tourism has grown extraordinarily and it is now one of the most important industries in the world in employment creation and generation of foreign revenues. It has been regarded as a vehicle for economic growth and social development for this eventually contributes to the improvement of economic standing and social conditions of the destination countries or the host communities. Tourism plays a paramount role in poverty reduction and sustainable development promotion with its ability to generate employment, provide economic linkages and to contribute to both formal and informal economies. Tourism boosts economic resilience and social progress through job creation.

Statement of the Problem

This study was conducted to determine the social and economic benefits of tourism to the residents of Santiago City.

Specifically, answers to the following queries were sought:

1. What is the profile of the participants in terms of occupation?
2. What is the tourism profile of Santiago City in terms of:
 - 2.1 tourist attractions frequently visited in the City;
 - 2.2 number of tourists who visited the destinations;
 - 2.3 number of hotels and accommodation facilities;
 - 2.4 number of food service establishments;
 - 2.5 number of travel agencies, and
 - 2.6 number of resorts?
3. How many people are employed in tourism related establishments such as:
 - 3.1 hotels;
 - 3.2 food industry;
 - 3.3 travel agencies, and
 - 3.4 resorts?

4. To what extent do the following benefits from tourism affect the local community?
 - 4.1 social benefits, and
 - 4.2 economic benefits?

5. How much is the amount of tax collected from tourism establishment such as:
 - 5.1 hotels;
 - 5.2 food industry;
 - 5.3 travel agencies, and
 - 5.4 resorts?

METHODOLOGY

Research Design

The researcher made use of descriptive research in order to assess the suitability, relevance, effectiveness and to access reliable information for the evaluation of the study, since this study aims to evaluate the social and economic benefits of tourism in Santiago City. The researcher described the participants' characteristics as regards their responses.

Participants of the Study

There were one hundred five participants (105) comprising of LGU employees involved in tourism planning, project formulation and policy making; people who are directly involved in tourism business such as travel agencies, food industry, hotel and resort establishments; and local entrepreneurs such as souvenir shops and shops offering locale delicacies and independent providers of other tourism products and services.

Instrumentation

The primary instrument used in gathering the needed data of the study was a survey questionnaire that was distributed to the participants composed of the LGU employees involved in tourism planning, project formulation and policy making; people who are

directly involved in tourism business such as travel agencies, food industry, hotel and resort establishments; local entrepreneurs such as souvenir shops and shops offering locale delicacies and providers of other tourism products and services. The questionnaire was adapted from 6 different studies. Items number 1, 2, 3, 4, 12, 13, 14, 15, 16, 17, 20 and 22 were patterned from the report prepared by Meyers Norris Penny (2010) titled, "Corn and Apple Festival Social and Economic Impact Analysis". Items number 5, 6, 7, 26 and 34 were adapted from the study of Liedewij van Breugel (2013) titled, "Community-based tourism, Local Participation and Perceived Impacts: A Comparative Study between Two Communities in Thailand".

Items number 21, 23, 30, 32,35 were patterned from the study of Mostafa Mohammadi et al. (2010) titled, "Local People Perceptions toward Social, Economic and Environmental Impacts of Tourism in Kermanshah (Iran)" which gauged the impact of tourism in three (3) areas namely, economic impact, social impact and environmental impact. Items number 8, 27, 28, 29, 33, 39 and 40 were patterned from the study of Azizan Marzuki (2012) titled, "Local residents' Perceptions Towards Economic Impacts of Tourism Development in Phuket". Items number 11, 18, 19, 36, 37 and 38 were patterned from the study of Kongfa Phoummasak et al. (2014) titled, "The Socio-Economic Impact of Tourism and Entrepreneurs in Luang Prabang Province, Lao PDR. Items number 9, 10, 25 and 31 were patterned from the study of Azizan Marzuki (2011) titled, "Residents' Attitude towards Impacts from Tourism Development in Langkawi Islands, Malaysia".

The questions asked during the interview were made by the researcher except for item number 1 which was patterned from the study of the Meyers Norris Penny. Some slight and necessary revisions were made to suit the needs of the study.

Data Gathering Procedures

The researcher gathered the data needed for the study using the following procedures:

The researcher prepared a letter addressed to the City Mayor and noted by Dr. Mercita O. Pamittan, Thesis Adviser, and Dr. Inicia

C. Bansig, Dean of the Graduate School, requesting permission to conduct the study in Santiago City and be provided by the concerned department with the necessary data/information pertaining to the following statistics:

- a. Tourist Attractions
- b. Number of hotels and accommodation facilities operating in the City
- c. Number of food service establishments operating in the City
- d. Number of travel agencies operating in the City
- e. Number of resorts operating in the City
- f. Tourists arrival on a yearly basis
- g. Number of people employed in the different tourism related establishments such as:
 - g.1 hotels
 - g.2 food industry
 - g.3 travel agencies
 - g.4 resorts
 - g.5 tourist destination maintenance
- h. Total amount of tax generated from tourism-based businesses

After the approval of the Mayor, the departments and offices concerned, such as City Planning and Development Office, City Permit and License Inspection Office, Treasury's Office, Office of the Secretary of the Sanggunian and PESO, were requested to provide the data needed for this study.

The researcher prepared a letter addressed to each of the participants. The letter was attached to the questionnaire which was simultaneously administered to the participants. After the participants had fully answered the questionnaires, structured interviews were also conducted. Immediate personal retrieval of the questionnaire by the researcher had been done to ensure one hundred percent return of the research instruments.

Data Analysis

To give meaning to the data that were gathered in this study, the researcher utilized the following statistical tools:

Frequency and Percentage. These were used to interpret the data gathered on the demographic profile of the participants and the tourism profile of Santiago City.

Weighted Mean. This was also used to interpret the social and economic benefits of Tourism in Santiago City. The following scale was used to interpret the weighted mean ratings on the extent of the effects of the tourism benefits.

Scale	Range	Qualitative Interpretation
5	4.50-5.00	Very Great Extent
4	3.50-4.49	Great Extent
3	2.50-3.49	Moderate Extent
2	1.50-2.49	Little Extent
1	1.00-1.49	Very Little Extent

Thematic Analysis. This was used for the interpretation of the participants' responses as regards to the interview questions.

RESULTS AND DISCUSSION

Profile of the Participants

Food Industry has the highest number of participants for this research with a total of forty seven participants over 105 while there are only two participants from the Travel Agencies.

Profile of Tourism in the City

Tourist Attractions in the City

There are seven tourism attractions which can be visited by tourists in Santiago City. These are the following: Calvary Hills, The Chapel of Transfiguration, Balay na Santiago, Santiago Concrete Water Tank (Philippines' Tallest Mural), Museo de Pattaradday, Balamban Festival and Feast of St. James the Apostle.

Number of Tourists who Visited the Tourist Destinations

Records from the Department of Tourism (DOT) indicate that in 1997, 40,968 foreign and domestic visitors arrived in the City of Santiago. In the year 1998, the Department of Tourism recorded a slight increase of 4.20 percent or 42,689 tourist arrivals and based on a yearly growth, 1996 saw a sharp rise in visitor arrivals at 73.71 percent, and in the early part of January to August 1998; the number of visitors reached 25,581, already more than half of the number during the entire period of 1997.

Number of Hotels and Accommodation Facilities

There are 44 hotel accommodation facilities operating in the city.

Number of Food Service Establishments

There are 36 food service establishments operating in the city.

Number of Travel Agencies

There are 35 travel agencies operating in the city.

Number of Resorts

There are 7 resorts operating in the city.

Number of People Employed in Tourism Related Establishments

Number of People Employed in Hotels

There are 188 employees from 20 hotels and accommodation facilities in the city.

Number of People Employed in Food Industry

There are 545 people employed in the Food Industry as of 2016.

Number of People Employed in Travel Agencies

There are five employees in the travel agencies. There are only 3 agencies that are included in the counting.

Number of People Employed in Resorts

There are 27 people employed in the 3 resorts.

The Extent in which Social and Economic Benefits Derived from Tourism Affect the Local Community

Social Benefits

In general, as shown by the overall mean on the social benefits, the participants consider tourism as beneficial to the community to a great extent. Nonetheless, the participants rated the social benefits of tourism in the community level, specifically in the item “tourism enhances the community’s image and reinforces the community’s pride and identity” to a very great extent, while new activities, improved quality of life, unity of various groups in working for the community, promoted higher standard of living, training opportunities, positive experiences in meeting tourists, positive changes in values and customs, personal health/ well-being of the community, increased availability of goods and services in the community, opportunities to meet new people, on-going social benefits in the community and positive recognitions as a result of tourism are rated by the participants to a great extent.

Tourism is considered as beneficial for the individual and the family to a great extent. Tourism ensures a more secured and stable life, improves living standard, provides an opportunity for people to learn new things, provides valuable experiences and gives opportunities to have fun with friends and family. Hence, tourism presents itself as a powerful tool in promoting social development.

The interview results complement certain claims. According to the participants, living in satisfactory conditions is one of the most important benefits with respect to people’s lives. Their standard

of living improved. Tourism allows them to provide for the basic needs of their families. Having their monthly income/commission lets them offset their cost of living, such as paying for housing, food, clothes and medical expenses. Money earned from working also provides them savings for retirement and enjoy activities like vacations. Furthermore, income obtained from tourism and hospitality business gives opportunity for the employees' family to have an out-of-town vacation. The employees also realized that they possess important skills, which they could use in helping others promote self-esteem. More so, income from tourism and hospitality business enabled the participants to send their siblings to school and support them in the entire duration of their schooling.

Being employed has many important benefits that include: providing a source of income, improving social inclusion, fulfilling one's own aspirations, building self-esteem and developing skills and competencies. While money may not buy happiness, it is an important means to achieve higher living standards and greater well-being.

Economic Benefits

In general, as shown by the overall mean on the economic benefits, the local community participants consider tourism as a favorable tool for job creation to a very great extent. Employment benefits are beneficial from great to very great extent. The data from interviews also support this as the participants say, "People working in tourism and hospitality related businesses are the ones who directly obtain benefits from tourism activities. But the benefits do not end with them. The benefits trickle down to our family members whether for food or for education or any other needs." Aside from this, there are also participants from hotels who say that they receive amounts between Ph 10,000 and Ph 20,000. The others say their salaries range from Ph 5,000 - Ph 15,000 depending on the time spent at work. Those who are connected with travel agencies say that their earnings are dictated by the number of people they have booked. Aside from the monthly salaries they earn, they also have commissions which may come from the bulk of bookings they have. There are also travel agency employees who rely solely on their

monthly salary and do not receive commissions for every booking made. People employed in the travel agency earn approximately from Ph 5,000 to Ph 10,000 pesos on a monthly basis.

Those who are employed in resorts said that they receive around Ph 1,000 – Ph 5,000 per month. Some of the participants particularly those that have their own small shops, also said that the amount they earned is highly reliant on the scale of their business.

Those who are operating shops offering local delicacies such as patupat say that they earn around Ph 500 – Ph 1,500 on a daily basis. However, the amount may tend to be smaller or higher depending on the season. On the other hand, tourism is considered beneficial in terms of foreign exchange and economic stability to a great extent because it increases foreign exchange earnings and diversifies the local economy which makes it less vulnerable to recessions. Results from interviews further validate this. The interviewees say, "In addition to what is spent by tourists, the tourism dollars that are earned, by both businesses and individuals are often re-injected into the local economy. So more money which is being earned locally, is then spent in the local economy as well. The dollar earnings from tourism can deeply permeate a local economy. Because tourism is a labor-intensive industry, and there are also participants who are micro to small business operators, they said that the effect is felt quickly and directly through local spending. Ultimately, the more dollars coming in, the larger the economic benefit for everyone." On infrastructure, it is considered valuable to a great extent as it improves public utilities/ infrastructure such as transport infrastructure, encourages the building of recreational facilities that may be used by the local population, facilitates the provision of new facilities and infrastructure (such as roads, airports and hospitality edifices), and ensures that public facilities and infrastructure are kept at better standard.

Moreover, tourism is also considered advantageous for foreign investments to a great extent, for it brings more investments in hospitality-related jobs such as food and beverage, accommodations, attractions, tour operators, entertainment, leisure and relaxation services and invites other organizations to invest in

the community. It is also beneficial for local entrepreneurship as it creates opportunities for entrepreneurs to create more businesses (products, facilities and services) and expand existing businesses which would not otherwise be sustainable based on the resident population alone, promotes local businesses, accelerates the number of local investors in hospitality-related jobs such as food and beverage, accommodations, attractions, tour operators, entertainment, leisure and relaxation services and creates new business opportunities.

Supplementary to this is the result of the interviews which stated, “Entrepreneurs are also benefitting from tourism. Bringing tourists into a community gives it new life, and creates opportunities for business persons and investors to establish new services and products, or facilities that would not be sustainable based on the local population of residents alone.”

The government, through tourism tax revenues, is also benefitted to a great extent. The data presented on the amount of tax collected from tourism related establishments further supports this claim. The interviews conducted reveal the same idea as far as government revenue is concerned. In addition, the government also benefits from tourism activities. The taxes paid by tourism and hospitality industries are sourced from the spending of the tourists. These taxes are used for varied projects which are mainly intended for the local residents. It means more tax dollars, which allows public projects to be launched or developed. This results to infrastructure improvement, with new roads being built, parks developed and public spaces enhanced. These improvements are experienced by everybody in the community even those who are not working in tourism-based business. Tourism is a potential source of economic growth as it boosts the local economy in terms of employment, infrastructure, foreign exchange, foreign investment, local entrepreneurship, and government revenue.

Total amount of tax collected from tourism related establishments

Total amount of tax collected from hotel and accommodation facilities

The total amount of tax revenues collected from hotel and accommodation facilities amounts to Ph 437,426.19 in 2014, Ph 513,612.49 in 2015 and Ph 683,480.44 in 2016.

Total amount of tax collected from the food industry

The total amount of tax revenues collected from the food industry amounts to Ph 458,013.00 in 2014, Ph 600,847.30 in 2015 and Ph 1,663,294.20 in 2016.

Total amount of tax collected from travel agencies

The total amount of tax revenues collected from travel agencies amounts to Ph 53,700.10 in 2014, Ph 65,305.00 in 2015 and Ph 71,507.00 in 2016.

Total amount of tax collected from resorts

The total amount of tax revenues collected from resorts amounts to Ph 267,210.00 in 2014, Ph 331,252.00 in 2015 and Ph 304,856.00 in 2016.

CONCLUSION

The following are the conclusions derived from the results of the study:

The researcher concludes that tourism benefits Santiago City both on the social and economic aspects. Since it has vast potentials for creating employment and generating large amount of tax revenues, the city can utilize and strengthen tourism as a social and economic development tool to reduce poverty and stimulate socio-economic wellbeing. But much more remains to be done. Tourism needs to be promoted with more intensity so that tourism in the City could continue

to flourish. Tourism in Santiago City can accommodate and entertain visitors with minimal intrusion or destruction to the environment in the locations where they are operating in.

Furthermore, the researcher concludes that there is an improvement in the lives of the tourism entrepreneurs and employees in the tourism or hospitality businesses. However, for the tourism industry to significantly make positive socio-economic contributions to these tourism entrepreneurs as well as to the employees, there needs to be a significant improvement in the income earnings in the tourism enterprises. This can be done if tourists' arrival will continue to significantly rise. A wide array of activities can be done in the City as well as additional attractive destinations to go to. These will give the drive for tourists to come and visit the City.

RECOMMENDATIONS

In the light of the findings and conclusions drawn, the following recommendations are deemed necessary:

The Local Government Unit of Santiago City should initiate the improvement of the existing tourist destinations particularly the Calvary Hills.

The Local Government Unit should initiate the development of new man-made tourist spots, such as nature or water parks, to attract more tourists.

The Local Government Unit should design events/activities that are unique to draw more tourists.

The Local Government Unit should provide assistance and support to the providers of other tourism products and services (those who are involved in making and selling patapat and locally made wines and vinegar) so as to reinforce their operation.

The Local Government Unit should establish a separate local tourism office and officers who will do tourism planning and project implementation activities. The office will focus on tourism concerns

and deal with tourism issues in the City.

The Local Government Unit should train local guides or form an Association of Local Guides who will accompany tourists in the different attractions. Members could be composed of out-of-school youth. This is to make them productive and earn money while they are not yet schooling.

The traffic system in the City should be improved so tourists can have better and more convenient travel experience. Reinforcement in the implementation of traffic rules and regulations should be done.

Improvement of transport facilities as well as provision of new transport systems should be initiated to match the improvement of tourist spots.

The provision of an infrastructure that will cater to sporting and other events should be planned and implemented so the city can hold provincial or even national affairs.

LGU Santiago City entrepreneurs should design and formulate products or services and activities which are unique, of high quality and more engaging.

Future researchers may also conduct research on the same field but in a broader context such as determining the impact of the tourism industry to the city.

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