Sustainable Tourism Development: A Viable Option to Boost the Nigerian Economy

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Abstract

Nigeria has depended too long on 'exhaustible' crude oil as the mainstay of the nation's economy and giving little attention to other sectors capable of diversifying the economy for viable development opportunities. Many nations globally have been acknowledged by various researchers to have benefitted immensely from the diversification of their economy through tourism. Hence the need for Nigeria to focus more on the tourism sector, a clean, renewable industry and viable over an indefinite period that is capable of transforming the nation's economy and leading to different developments. The paper aims to investigate tourism as an option to boost the Nigerian economy and adopted the quantitative method of data collection and the use of relevant literature. Results from the data analysis shows that tourism has tremendous economic potentials and presents itself as a source of income and employment opportunities as well as a great source of internally generated revenue. The paper concludes and recommends that tourism be given a focus in order to be able to transform the economy from being a single based economy to a sustainable economy that can sustain Nigerians now and in the future.

Key words: Development, Economy, Nigerian, Sustainable Tourism

1. Introduction

Tourism development in any destination as averred by Ajadi (2012) is reliant on the availability of tourism resources; has huge financial gains and several other benefits (Ayeni, 2013). Given this notion, Nigeria has numerous tourism potentials dotting virtually every state; as such if these resources are harnessed, will serve as additional avenue for revenue generation. However, this can only be achieved through effective tourism policies in areas such as qualified personnel, financial resources as well as local involvement that is currently lacking (Ajadi, 2012; Gerosa, 2003).

Tourism is seen as a clean and renewable industry as stated by Berno and Bricker (2001) unlike manufacturing, mining, forestry amongst other industries and less capital intensive for development; as such offers a viable development opportunities. It depends on human contact with constant increase in spending power and results in speedy economic boom (Ajake and Amalu,

2012) as such presents itself as a source of economic development. As noted by UNWTO (2012) tourism in many developing and least developed countries is the most viable economic option and has become a major player in the economy. Data from UNWTO (2012) has shown that tourism arrival amounted to 459 Million in developing and least developed countries; a significant increase in tourist arrivals while that of the advance economies was 523 Million.

Olapade (2012) argued that not all destinations are fascinating, however, most are able to attract visits due to 'genuine stories, infrastructure, events and beautifications the custodians invented and invested' and indirectly creates an enabling environment that attracts local and foreign investors (NBF, 2012) which in the long run are able to create avenue for employment, boost international patronage as well as generate huge revenue. In spite of the various tourism resources available in Nigeria, there is still the lack of infrastructure and investments in the tourism sector and Nigeria so far has recorded little or no revenue from tourism. Furthermore, many of the destinations lack the ambience found in developed tourist destinations (Ayeni, 2010).

The main stay of the Nigerian economy as noted by Akpan (2012) has been the petroleum sector. However, it has been realised that diversifying the economy through tourism has several potential benefits and Nigeria has so much to gain from developing the tourism sector as opined by Ayeni and Ebohon (2012); if given a focus will remain viable over an indefinite period leading to development in different facets including infrastructure, transportation, and accommodation amongst others.

The main objective of this study therefore is to investigate whether tourism will be an added advantage to the Nigeria economy as well as serving as alternative to the much depended crude oil if tourism is given a focus and investment channelled towards tourism.

2. Literature Review

Worldwide, tourism in many nations, both developed and developing countries is seen as a viable option for economic development, this is because it contributes tremendously to the Gross Domestic Product (GDP), serves as avenue for revenue generation and creates jobs. Some major significance of tourism includes foreign exchange earnings, employments, and income (Kim et al, 2005; Toplis, 2008; Dwyer and Spurr, 2012). In the same vein, Oh, (2005) argued that 'tourism–generated proceeds' represent a major source of revenue, employment, household income in several countries worldwide and this importance has come to be recognised by all countries in the world (Kaplan and Celik, 2008).

Many countries have had some success in developing and expanding their economy as noted by Stock (2004); Gelb (2010); Mazimhaka(2006) through economic diversification. Examples of such countries that have diversified their economy through tourism as stated by Sharpley (2002) include the emirate of Abu Dhabi, whose economic growth and development has long depended on oil production and exportation. In spite of oil sufficiency, Abu Dhabi is seeking to diversify her economy through tourism development in order to shift its focus and dependency which hitherto had been on petroleum. Other notable examples are Kuwait, Dubai and United Arab Emirates (Herb, 2009) which have made real progress in diversifying their economy away from oil.

Another example as noted by Vanegas and Croes (2003) is the Aruba economy in the Caribbean where tourism played a significant role in its economy recovery which suffered problems of regression, unemployment and declining government revenues caused by the closing down of Lago oil refinery in 1985. Although diversification of economy is not peculiar to the oil rich countries alone, however, a country such as South Korea whose economy was export-oriented base (Oh, 2005) is also known to have tourism as an added revenue earner.

Economic diversification in simple terms is when a country has different sources of income from different economic activities and this plays a role in a country's growth and development. Defining economic diversification, Zhong et al (2008) said it is a process whereby a growing range of economic outputs are produced and also could be referred to as the diversification of income sources. Similarly, Aguero et al (2006) said diversification apart from promoting stability also enhances the broader goals of economic vitality, growth and low rates of employment. Also, economic diversification as argued by Gould (1972) does not only 'involve rising per capital income but also diversification of economic structure away from primary activity, towards industrial and service sectors.

As noted above, several countries are benefiting from tourism as a form of their economic diversification, however, one may wonder why 'tourism' when there are other areas such as agriculture and industry. Tourism is a very attractive avenue for economic diversification in most countries of the world and has the tendency to help prevail over the difficulties associated with mono dependent economies. As argued by Godfrey and Clark (2000), tourism has natural attractions in many destinations; it serves complementary functions such as service centre, meeting point and seat of government, has a labour force in place and it is clean as compared to manufacturing and industries.

Tourism has many linkages with other economic sectors and has varied economic benefits. Almost all sectors of an economy benefit from tourism; in terms of income generation from wages and salaries, employment, although, it could be seasonal or low wage, balance of payments, investment and development and on the long run help to determine the success of tourism of any region (Cardoso and Ferreira, 2000; Bhatia, 2002; Sharpley, 2008; Edgel, 2006). Moreover, Shaw and Williams (2002) argued that tourism in addition to creating jobs, generating income and contributing to the costs of economy, also contributes to social infrastructure such as road improvement, fosters the development of other sectors, contributes to local residents' amenities, contributes to conservation of natural and cultural features of an area; contributes to vocational training and in addition, it helps to conserve national heritage, protect the environment and contribute to an improvement in the quality of life and well- being of local communities (Godfrey and Clark, 2000).

Also noting the importance of tourism in economic development, Othman and Karlberg (2007) said that apart from the physical inflow of tourist foreign currency, it also provides direct ancillary industries for souvenirs, handicraft, food and garment manufacturing. These industries are labour intensive and afford huge opportunities for employment creation. Although tourism does not only

bring economic gains and should not be judged as such. As noted by Bhatia (2002), it has wider implications encompassing not only economic benefits but also social and cultural benefits and brings about infrastructural improvement and regional growth.

On the other hand, Stock (2004), nonetheless argued that tourism is a venture which requires upfront investment especially in hotels, roads and other types of infrastructures if it is to be considered as an attractive avenue for economic diversification. In as much as tourism brings economic benefits as noted above, there are also some hidden economic costs which should not be over looked. Sharpley (2006) stated that the benefits may be offset by economic costs for a destination which could include leakages i.e. losing revenue generated to other countries' economy; higher import costs, inflation, opportunity cost, external cost i.e. cost of refuse collection, health services, extra policing and so on, and as such true economic contributions of tourism should be seen in terms of net benefits. The benefits of tourism are enormous, it is indeed an attractive venture of economic diversification of many mono economic countries that wish to diversify and especially move away from overdependence on its main revenue earner; for obvious reasons apart from economic development there is also benefit from infrastructural development and growth which is used and shared by all sectors both national and local communities and in the long run enhances the quality of life of the communities.

3. Study Area and Methodology

This study is an abridged version of a wider research and was carried out in the federal Republic of Nigeria; located in West Africa and made up of 36 states and the Federal Capital Territory, Abuja. The country lies between Latitude 10° 00' N of the Equator and Longitude 8° 00' East of the Greenwich Meridian and bounded in the West by the Republic of Benin; to the East by Cameroon and Chad Republic; to the North by Niger and to the South by the Gulf of Guinea as show in Figure 1. Nigeria has a total area of 923,768 Square Kilometres and a population of about 167Million (Esu, 2009; Olokor, 2012; World Bank, 2012; Map of World, 2012, National Population Commission, 2012; Greenwich Mean Time, 2012).

The study was conducted between 2010 and 2012 and is based on Nigeria and the need to see tourism as a viable option for diversifying the Nation's economy; and was carried out within two geopolitical zones in Nigeria; the North Central and the South West, which were randomly selected from the six geopolitical zones which make up Nigeria (Ikein et al, 2008) as the study population. The six geopolitical zones that make up Nigeria include the North-west, North-east, North-central, South-west, South-east and South-south and has different tourist attractions and climates, including equatorial climate in the south, tropical in the central and arid in the north which provide unique landscape and ecological features.

In carrying out this research, the study adopted the quantitative research approach combined with the review of literature in order to gauge the views of tourism stakeholders as well as contextualize current research in the field of study. Using data in numerical terms through closed ended questionnaires by measuring respondent opinions on a Likert scale of 4 points, where 4 denotes strongly agree and 1 denotes strongly disagree. As well as sourcing relevant information from published material such as books, journal articles, internet amongst others. These gave an in depth

knowledge and credible results on the subject matter. The sample frame selected randomly and through convenience sampling methods were Kogi, Ekiti, Ondo, the Federal Capital Territory-Abuja and an academic institution from where samples were drawn. A stratified random sampling was further used in the selection of respondents from all stakeholders in the tourism industry, including staff of the Nigerian Tourism Board, hotels and travel agents, government employees, non-government employees and tourists.

Eight hundred and fifty closed ended questionnaires were randomly administered by closely supervised trained research assistants. A sample size of two hundred was estimated for each of the states selected and fifty academics. At the end of the survey, a total of seven hundred and forty-five questionnaires were returned completed, thus a response rate of eighty-seven percent were recorded and data analysed using the Statistical Packages for Social Sciences (SPSSx) and results expressed in simple percentages and standard deviation.

4. Results and Discussion

Results from the analysis of the characteristics of the respondents using the $SPSS_X$ showed that males predominate in the sample and most participants were within the age bracket of 20-50 years. Most respondents were married while few were single and widows while data showed that all stakeholders are represented in the sample and range from low income earners to high income earners and sufficiently. These are further shown in Table 1.

Tourism is seen to play a significant role in many declining economies and many countries have proved to have successfully developed and diversify their economy tourism as seen in the literature review. Apart from economical gains are also the gains of infrastructure development. In assessing whether respondents are aware of the role tourism can play in the Nigerian economy, the study carried out further analysis on the likely role tourism would play if the Nigerian economy is diversified.

Using the SPSS, the analysis revealed that 64.6 percent (481) strongly agree that tourism has huge economic potential. Also, 26.6 percent (198) agree, 2.7 percent (20) disagree while 2.1 percent (16) strongly disagree and 4.0 percent (30) did not respond. That is, 91.2 percent of the respondents agree that tourism has huge economic potentials as further shown in Table 2 and Figure 2. Most of the data is located around the mean of 3.46 and the spread of the data; the standard deviation is .957

The results corroborate the literature and shows that tourism presents itself as a viable option in boosting the Nigerian economy. It is an attractive option for economic development due to the fact that tourism, unlike manufacturing is perceived to be renewable and clean. Furthermore it is not a single industry but comprise of other products and services.

On further analysis on income and employment opportunities that tourism could present, respondents' response shows in Table 3 and Figure 3 that 73.4 percent (547) strongly agree that if well exploited, tourism can generate huge income and employment opportunities and 20.5 percent (153) agree. About 1.3 percent (10) strongly disagrees while .9 percent (7) disagrees and 3.8

percent (28) did not respond. In total, 93.9 respondent agree and the mean is 3.59 and the standard deviation is .891

The above analysis shows that the importance of tourism in generating income and employment is indisputable and as such call for urgent attention in moving the Nigerian economy forward and contributing to the well being of individuals. This corroborates the literature that tourism affords huge opportunities for employment creation.

Further analysis as shown in Table 4 and Figure 4 reveal that about 57.7 percent (430) of the respondents strongly agree that for tourism to be economically viable, it must receive huge investments, closely followed by 35.7 percent (266) who agree. Also, 2.1 percent (16) disagree while .4 percent (3) strongly disagrees and 4.0 percent (30) did not respond. In total, 93.4 respondents agree, while the mean show that most of the data is located around 3.43 and the standard deviation which shows the spread is .892

This shows that focus and investment in tourism play a critical role in its viability economically. As such for it to boost or be considered an economic option there has to be huge investment in order to attract tourist far and wide.

In addition to the above, Table 5 and Figure 5revealed that 61.2 percent (456) strongly agree that tourism can be a huge source of internally generated revenue. About 32.8 percent (244) of the respondents agree while 1.3 percent (10) disagrees, .8 percent (6) strongly disagree and 3.9 percent (29) did not respond. It can be seen that a total of 94 percent agree that tourism is a huge source of internally generated revenue. The mean value is 3.47 and standard deviation which shows the spread of data is .890.

The analysis shows that tourism presents itself as an avenue for internally generated revenue. This was revealed by majority of the respondents and has proved that tourism will be a huge source of internally generated revenue for Nigeria aside crude oil.

5. Conclusion

The study showed that most respondents were in support of tourism; as the results show that tourism has huge economic potential as well as creating an avenue for income generation and employment opportunities. Furthermore, the study revealed tremendous contribution of tourism to many economies worldwide and the study believes that if Nigeria can shun and diversify from the mono economy of crude oil to tourism, Nigeria will not only attract huge revenue, but at the same time improve on developing the environment, infrastructure that are currently lacking as well as attract tourists internationally and locally. From on the afore mentioned, the study recommends that tourism development be given a focus in order to transform the economy from being a single based economy to a sustainable economy that can sustain Nigerians now and in the future.

6. References

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Niger Kaduna Bauchi Gombe Adamawa GaroUa Plateau

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Nassarawa Plateau

Nassarawa Benue Lagges Benin Sladt Kogi Benue Lagges CAMEROON River CAMEROON River Bayelsa Port Harcourt State Border

Atlantic Cean Provers 4 Capital Clay National Border State Border

Atlantic Ocean Provers 4 National Border State Border

Figure 1. Map of Nigeria Showing the States and Boundaries

Source: http://upload.wikimedia.org/wikipedia/commons/d/d2/Nigeria_political.png

Table 1: Respondents Characteristics

Characteristics	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Respondents Gender				
Male	472	63.4	63.4	63.4
Female	273	36.6	36.6	100.0
Total	745			
Respondents Age				
No response	42	5.6	5.6	5.6
50s and above	80	10.7	10.7	16.4
40s	136	18.3	18.3	34.6
30s	152	20.4	20.4	55.0
20s	335	45.0	45.0	100.0
Total	745	100.0	100.0	
Respondents occupation				
No response	1	.1	.1	.1
Private sector employee	82	11.0	11.0	11.1
Government employee	367	49.3	49.3	60.4
Self-employed	130	17.4	17.4	77.9
Unemployed	165	22.1	22.1	100.0
Total	745	100.0	100.0	
Respondents Level of Education				
No response	4	.5	.5	.5
None	66	8.9	8.9	9.4
Primary	91	12.2	12.2	21.6
Secondary	94	12.6	12.6	34.2
Tertiary	490	65.8	65.8	100.0
Total	745	100.0	100.0	
Marital Status				
No response	3	.4	.4	.4
Widowed	12	1.6	1.6	2.0
Single	291	39.1	39.1	41.1
Married	439	58.9	58.9	100.0
Total	745	100.0	100.0	
Respondents Level of Income				
No response	76	10.2	10.2	10.2
Above N500,000	119	16.0	16.0	26.2
Between N100,001 - N500,000	187	25.1	25.1	51.3
Between N1 - N100,000	363	48.7	48.7	100.0
·	745	100.0	100.0	

Table.2: Economic Potentials of Tourism

	Frequency	Percent	Valid percent	Cumulative percent
No	30	4.0	4.0	4.0
response				
Strongly	16	2.1	2.1	6.2
disagree				
Disagree	20	2.7	2.7	8.9
Agree	198	26.6	26.6	35.4
Strongly	481	64.6	64.6	100.0
agree				
Total	745	100.0	100.0	

Figure 2: Percentage of Distributions

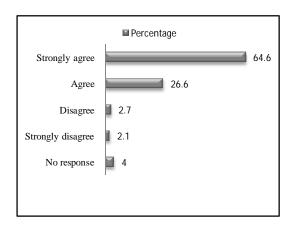


Table 3: Income and Employment

	Frequency	Percent	Valid percent	Cumulative percent
No	28	3.8	3.8	3.8
response				
Strongly	10	1.3	1.3	5.1
disagree				
Disagree	7	.9	.9	6.0
Agree	153	20.5	20.5	26.6
Strongly	547	73.4	73.4	100.0
agree				
Total	745	100.0	100.0	

Figure.3: Percentage of Distribution

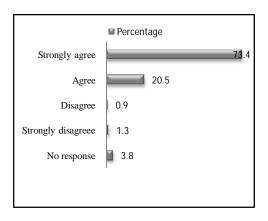


Table 4: Investing in Tourism

	Frequency	Percent	Valid percent	Cumulative percent
No	30	4.0	4.0	4.0
response				
Strongly	3	.4	.4	4.4
disagree				
Disagree	16	2.1	2.1	6.6
Agree	266	35.7	35.7	42.3
Strongly	430	57.7	57.7	100.0
agree				
Total	745	100.0	100.0	_

Figure.4: Percentage Distribution

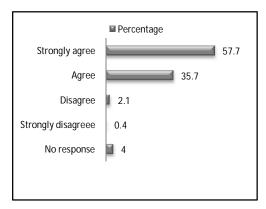


Table.5: Tourism as source of Internally Generated Figure.5: Percentage of Distribution Revenue

	Frequency	Percent	Valid percent	Cumulative percent
No response	29	3.9	3.9	3.9
Strongly disagree	6	.8	.8	4.7
Disagree	10	1.3	1.3	6.0
Agree	244	32.8	32.8	38.8
Strongly agree	456	61.2	61.2	100.0
Total	745	100.0	100.0	

