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# NIGERIA'S ECONOMIC GROWTH THROUGH TOURISM PROMOTION/SUSTAINABILITY

Perspective,  
opinion and  
commentary

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## **Abstract**

*Nigeria is currently facing economic growth and development challenge. The economic challenge is occasioned by mono-cultural economic reliance on the single resource of crude oil export revenue as well as other internal and international effects that affect her economic drive for heightened growth and development. The Nigerian government had over the years searched for ways of diversifying its economy for greater growth and development especially given the various challenges in the economy, mainly the steep reduction in crude oil revenue arising from volatility of global oil price. This paper therefore uses the research methodology of case study to do a holistic assessment of the possibility of Nigeria diversifying into her tourism potentials for economic growth and development. This would be done equally by drawing relevant comparative analysis of other countries bringing economic benefits in Africa and across the globe.*

## INTRODUCTION

Nigeria is currently facing the eminent need for economic growth and development, especially after retreating from economic recession it had in 2016 due to the continuous volatility and drastic reduction in crude oil prices at the global market. Nigeria has continued to rely heavily on crude oil export revenue for funding annual budgets, foreign exchanges earnings and reserves; import of multiple goods, etc. Oil revenue remains a huge economic wheel for Nigeria. With the continuous challenges experienced in the oil sector such as low prices, corruption and others, Nigeria had begun to search for viable alternatives or support sources for the economy. This paper looks at the issue of Nigeria's tourism potentials and what support it can provide for Nigeria's economic drive, growth and development.

## RESEARCH OBJECTIVES

In view of the persisting need for Nigeria's economic development and the search for alternatives to growth oriented structure of the economy besides crude oil revenue, this research presents the following objectives:

- a. To underscore Nigeria's economic challenge
- b. To assess Nigeria's tourism potentials
- c. To assess the challenges facing Nigeria's Tourism Industry.
- d. To assess the extent of development of Nigeria's tourism industry
- e. To assess and recommend strategies for investment and economic growth for Nigeria through Tourism development.

## RESEARCH METHODOLOGY

The research methodology used in this research is that of case study research methodology with Nigeria in focus as the case study. The case study research methodology is described as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used" (Yin, 1984, p. 23). Baxter and Jack (2008, pp.547-549) identifies a number of different types of case study research methodologies such as explanatory, exploratory, descriptive, multiple or single, intrinsic, instrumental and collective. In any case the descriptive case study methodology which describes the circumstance in focus would be used in the qualitative and analytical perspectives of the issues under assessment for drawing relevant conclusions. Robert Yin (2012) notes that good

case study research methodologies benefits numerously from 'multiple sources of evidence' since it is not limited to a single source of data, such as the use of questionnaires for carrying out a survey. Multiple sources would be used in sourcing data for the assessment of African economies' challenges.

## LIMITATIONS OF STUDY

The possible limitation of the research study is that of the researcher being unable to physically visit all the Tourism sites in Nigeria. The paper relies mainly on information provided through the secondary sources.

## SCOPE OF RESEARCH STUDY

The scope of the research paper covers only the case though comparative analysis would be drawn from some other countries in various continents as a means of arriving at the conclusion of what Nigeria can do with its assessed tourism potential for economic growth and development.

## LITERATURE REVIEW

Nigeria's economic challenges can be reviewed for this paper within some three fundamental contexts as affecting the focal point of analysis – the case of Nigeria

### Single resource literatures

Nigeria after independence in 1960 gradually became an agrarian economy, being able to export various kinds of cash crops to overseas territories. Agriculture became a mainstay of Nigeria's foreign exchange earnings, but with the discovery of oil and subsequent exploitation in commercial quantity, agricultural efforts was jettisoned. As crude oil exploitation and export boomed, the people sought white collar jobs which resulted in abandoning of agricultural efforts leading to rural urban migration. The presence of crude oil earnings easily provided ready funds for importation of goods and foodstuff into Nigeria. Nigeria has since then continued to import in large scale, often importing what it can comfortably produce locally, and therefore been tagged as import dependent nation. The economic challenge before Nigeria subsist in that of reliance on the single resource of crude oil export from where revenue is generated for over seventy percent of budget revenue and about ninety percent of foreign exchange earnings. As the crude oil prices falters at the international market, so Nigeria's economy experiences vacillating rhythm in upward and downward scales.

Nigeria remains in dire need of diversifying her economy in order to experience growth and development.

### Issues of corruption

As is evident with in the Nigerian society and some other societies where the economy depends is on single natural resource, cases of corruption surrounds the crude oil industry in Nigeria. Several issues of corruption persist in the Nigerian society, many of which involve numerous persons who had served at one level or the other in the state political administration. Issues of corruption equally exist in other constituents of the society, including the banking industry, security bodies, etc.

### Resource curse theories

Nigeria's situation points to the case of resource curse given the persistence of acute level of suffering by the people of Nigeria in the midst of plenty crude oil wealth as well as other rich endowments of the country. The theory of resource curse is centered on the failure of resource rich countries to experience accelerated economic growth and development whereas some resource poor countries are able to rapidly grow and develop economically. Many scholars used various studies over the years to arrive at this description of 'resource curse', as being the inability of resource rich or resource abundance countries to develop and grow economically as resource poor countries do. Auty (1993,2000) is seen as the originator of the phrase "natural resource curse" as he noted that resource poor countries outperformed resource abundant countries economically. On his part, Sachs and Warner (1995) with his literature on econometrics stated that dependence on oil and mineral resources was associated with slow economic growth and development. "It has been observed for some decades that the possession of oil, natural gas, or other valuable mineral deposits or natural resources does not necessarily confer economic success. Many African countries such as Angola, Nigeria, Sudan, and the Congo are rich in oil, diamonds, or other minerals, and yet their peoples continue to experience low per capita income and low quality of life. Meanwhile, the East Asian economies Japan, Korea, Taiwan, Singapore and Hong Kong have achieved western-level standards of living despite being rocky islands (or peninsulas) with virtually no exportable natural resources" (Frankel, 2010, p.3). The Nigerian situation of failure to develop and grow economically can be captured properly within the context of resource curse of having been affected by it.

## NIGERIA'S NEED FOR DIVERSIFICATION

There are several reasons for which Nigeria needs to diversify her economy into other sources of revenue generation other than crude oil export. Some of these areas that Nigeria needs to diversify into have been outlined and discussed below.

- a. **To supplement Budget revenue:** Nigeria had the challenge of funding the annual budgetary estimates especially in the past two years (2014-2016) when the oil price crash at the international market led to the serious funding shortages for the country's annual budget. Nigeria had to borrow to fund the budget. If the volatility of the crude oil price continues and more on the lower ebb of the oil price, it portends that the Nigeria's budget revenue would continue to be low since crude oil revenue accounts for about seventy percent of the budget revenue. Accordingly, Nigeria needs other sources of revenue to adequately implement annual budgetary estimates on continual bases.
- b. **To effectively accelerate economic growth and development:** although Nigeria prides itself as the giant of Africa because of its landmass of over 923,786 sq.km (CIA World Fact book, July 2016estimates), huge population, human resources, natural resource endowments, it has failed to reflect commensurate economic growth and development that equates with its potentials. As a major need for diversification, Nigeria needs to effectively accelerate her economic growth and development so as to properly reflect its place in Africa and the world.
- c. **To properly cater for the country's exploding population:** Nigeria's population estimates is above 186 million and projected to reach 390 Million in 2050 (CIA World Fact book, July 2016estimates).
- d. **To effectively pursue infrastructural development:** There is the presence of acute shortage of infrastructural development in virtually all segments of the society. Inadequate network and bad roads, inadequate health center, poor power supply and lack of good drinking water all exist and need urgent attention, which further demands for diversification for revenue to pursue their provision.
- e. Maximally create employment opportunities for the teeming youth population.

## NIGERIA'S TOURISM POTENTIALS

Nigeria has Tourism potentials in many areas of interest. Some of the tourism potentials include Special kinds of mountains, Beaches, Water falls, Arts galleries, Game reserves, Rain/mangrove, forest, Museums, Zoos, International hotels, Numerous meal cuisines, Parks, Aquariums, Resorts, Lakes, Nature/ Natural Habitats, etc. many

of Nigeria's tourism potentials remain at undeveloped stages, but could blossom if developed with Government policy inputs and right investments.

### **TOURISM PROMOTION/SUSTAINABILITY IN NIGERIA FOR ECONOMIC GROWTH**

Tourism promotion is important for Nigeria to attract huge traffic of tourists and revenue from all over the world. Many countries with the right focus on revenue generation through tourism adequately prepare and beautify the tourists' environment in such a way that Tourism thrives locally and mainly internationally. If Nigeria is able to effectively promote the tourism industry and it begins to grow, then it needs to be sustained. Nigeria needs Tourism sustainability to be able to sustain revenue generation therefrom and to use it as viable option of economic diversification for support of the economic growth. Nigeria must evolve concerted policy efforts and strategies to promote and sustain economic growth and vibrancy.

### **WHAT NIGERIA CAN EARN FROM TOURISM**

In 2015, Nigeria earned 1.1 Billion Dollars (Premium Times, 2016). With this as the case, even with the non-full development of the tourism industry in Nigeria, it follows that if the right and adequate efforts would be put in place, Nigeria could earn better from Tourism. With comprehensive national tourism plan, promotion and sustainability, Nigeria could earn above all other African countries in Tourism. The reason behind this assertion is that Nigeria has bigger land mass, greater potential in tourism promotion and development, higher population and all possible needed resources for conducting good tourism processes. Some African countries such as South Africa, Morocco and Tanzania had 8.2billion, 6billion and 2.23 billion respectively from Tourism in 2015 (Statista, 2017). Even in the consideration of African countries' readiness for tourism exploitation and revenue generation, Nigeria is not among the top ten in Africa. The top ten countries are contained in the diagram 1.

### **COMPARATIVE STUDIES OF SOME COUNTRIES WITH NIGERIA**

The diagram 2 clearly shows that if Nigeria were to develop her tourism industry, it can comfortably rank amongst the African states with the biggest tourism earnings. This would be as earlier noted that Nigeria has higher level of potential for higher tourism earning than most nation states in Africa. The fact that Nigeria's earning of \$1.1 billion was not captured in the above diagram of top 10 for earning tourism points to the fact that its estimates or calculations may be combined local and foreign tourists' visits, whereas the others may be mainly international receipts that were adequately documented. In actual assessment of Nigeria's potentials with some of the other African countries reflected among the top ten earners, Nigeria can offer more and lead the country pack for revenue generation in the tourism industry. The 2015 earning of some other countries in tourism include; Australia \$31billion, Austria \$18 billion, Canada \$16 billion, China \$114 billion, France \$54 billion, Germany \$47 billion, Greece \$17 billion, Hong Kong \$42 billion, India \$21 billion, Indonesia \$12 billion, Ireland \$10 billion, Italy \$39 billion, Japan \$27 billion, Korea Republic \$19billion, Macao SAR China \$31 billion, Malaysia \$17 billion, Mexico 18 billion, Netherlands 19, Poland \$11 billion, Portugal \$15 billion, Russia \$13 billion, Saudi Arabia \$11 billion, Singapore \$16 billion, Spain \$56 billion, Sweden \$11 billion, Switzerland \$19 billion, Thailand \$48 billion, Turkey \$35 billion, United Kingdom \$60 billion, USA \$246 billion (World Bank, 2017). The reflection of other countries' double digit earning shows that Nigeria can earn more as the big country in the African region.

### **CONCLUSION**

Given the foregoing qualitative analysis of the Nigerian case and the need for exploring tourism potentials for revenue generation and support] of economic growth and development, a number of conclusions have been reached. This accommodates suggestions on what Nigeria must do.

- a. Nigeria must do tourism potentials assessment to determine what it really has, to be able to know how to pursue same for revenue generation.
- b. Nigeria must evolve policies at governmental level for promotion and sustainability of Tourism for revenue generation
- c. Strategies must be deployed to effectively increase tourism visits from all over the world so as to spur economic growth and development.

- d. Nigeria must enhance other supporting factors for tourism promotion and sustainability such as ensuring reasonable of security in the society.
- e. Nigeria would also organize the tourism sector in such a way that it runs sustainably and encourages re-visits from former tourist while attracting new ones.

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The author of this manuscript, Mr. Victor Nwaoba ITUMO is a Doctoral student at the University of Economic Studies (ASE), Bucharest, Romania. He holds a Master of Science (M.Sc.) degree in International Relations from University of Uyo, Akwa Ibom State, Nigeria and a Bachelor of Science (B.Sc.) degree in Government and Public Administration from Abia State University, Uturu, Abia State, Nigeria. He has been working in Nigeria's public service since 2008. His research interest is on issues that would improve human lives and hasten social and economic development, especially in developing nations like his native country of Nigeria. The author has written a few books that focused on improving human lives. ([victoritumo@yahoo.com](mailto:victoritumo@yahoo.com)).

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## ANNEXES

Diagram 1

	<b>Sub-Saharan Africa: Top 10 most tourism-ready economies</b>	
	Travel & Tourism Competitiveness Report 2015	Global rank*
	South Africa	48
	Seychelles	54
	Mauritius	56
	Namibia	70
	Kenya	78
	Cape Verde	86
	Botswana	88
	Tanzania	93
	Rwanda	98
	Zambia	107

Source: World Economic Forum 2015  
 \*2015 rank out of 141 economies. The Travel & Tourism Competitiveness Report assesses the set of factors and policies that enable the sustainable development of the Travel & Tourism sector, which in turn contributes to the development and competitiveness of a country.

Diagram 2

	<b>African Country</b>	<b>2015 revenue from tourism (Billion Dollars)</b>
<b>1.</b>	<b>South Africa</b>	<b>8.2</b>
<b>2.</b>	<b>Morocco</b>	<b>6</b>
<b>3.</b>	<b>Tanzania</b>	<b>2.23</b>
<b>4.</b>	<b>Angola (2014 Figure)</b>	<b>1.59</b>
<b>5.</b>	<b>Mauritius</b>	<b>1.43</b>
<b>6.</b>	<b>Tunisia</b>	<b>1.35</b>
<b>7.</b>	<b>Uganda</b>	<b>1.15</b>
<b>8.</b>	<b>Botswana</b>	<b>0.95</b>
<b>9.</b>	<b>Zimbabwe</b>	<b>0.89</b>
<b>10.</b>	<b>Ghana</b>	<b>0.82</b>

Source: Statista.com;

<<https://www.statista.com/statistics/261754/international-tourism-receipts-of-african-countries/>>