Tourism Potentials and Sustainable Development: An Overview of the Role of the Federal Government of Nigeria

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Abstract

Countries like Kenya (in Africa), have developed their tourism potentials to a point where the sector has turned a key driver of growth and development of their economies. This paper presents an overview of the efforts of the federal government of Nigeria in harnessing the potentials of this sector of the nation’s economy in the quest for sustainable development. Secondary sources such as books, journals, periodicals, and the internet, etc. provided the source of data while the neo-classical (Pearce 1972) theory of the closed linear system was adopted as the theoretical framework. The mode of data analysis was content analysis. The results revealed the existence of great potentials for tourism in the country which government has failed to take advantage of. The paper recommended that government begins to view the sector with every sense of seriousness and determination to enable it drive the nation’s growth and development process.

Keywords:  
Tourism potentials, Sustainable development, Rural development, Economic growth, Economic development

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Background to the Study
Tourism is one component of the service economy. Its continued advancement usually translates to greater opportunities in the areas of job creation, poverty alleviation, environmental sustainability, trade and economic growth fostering partnership for development, etc. The UNWTO Annual Report (2011) observes that, “tourism brings in large amount of income in payment for goods and services available, accounting for 30% of the world export services, and 6% of overall export of goods and services”. International tourism has made remarkable growth in recent times, marked by positive milestones chronicling the sector’s expansion. The global economic challenges and geopolitical shifts notwithstanding, tourism has continued to grow and even exceed long-term forecasts and expectation. Again, the UNWTO Annual Report (2013), reveals that, “after reaching an historic milestone in 2012, one billion people travelling the world annually, tourism maintained its momentum with a 5% growth in 2013. An additional 52 million international tourists travelled the world, reaching a total of 1,087 million international tourists year”.

Quite a significant impact has been made on the global economy by this sector. Hence, Cooper (2008) noted that, “it is the economic benefits that provide the main driving force for tourism development”. International tourism receipt grew to US $1.03 trillion in 2011 corresponding to an increase to real term of 3.8% from 2010. Inspite of the hue and cry about the global economy, international tourism demand continues to show resilience. Thus, amidst the current economic uncertainty, tourism is one of the few sectors in the global economy that has continued to grow strongly, driving economic progress in both the developing and developed countries and most importantly creating much needed jobs. Currently, the volume of business associated with tourism equals or over surpasses those of oil export, food products or automobiles. The sector has turned a major player in international commerce representing at the same time, one of the major sources of income for many developing nations.

World Tourism Statistics and Ranking
Table 1: Most visited countries by international tourists’ arrivals

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>France</td>
<td>Europe</td>
<td>79.5 million</td>
<td>77.5 million</td>
<td>+3.0%</td>
</tr>
<tr>
<td>2</td>
<td>United State</td>
<td>North</td>
<td>62.3 million</td>
<td>59.8 million</td>
<td>+4.2%</td>
</tr>
<tr>
<td>3</td>
<td>China</td>
<td>America</td>
<td>57.6 million</td>
<td>55.7 million</td>
<td>+3.4%</td>
</tr>
<tr>
<td>4</td>
<td>Spain</td>
<td>Asia</td>
<td>56.7 million</td>
<td>52.7 million</td>
<td>+7.6%</td>
</tr>
<tr>
<td>5</td>
<td>Italy</td>
<td>Europe</td>
<td>43.6 million</td>
<td>43.6 million</td>
<td>+0.7%</td>
</tr>
<tr>
<td>6</td>
<td>Turkey</td>
<td>Europe/Asia</td>
<td>29.3 million</td>
<td>27.0 million</td>
<td>+8.7%</td>
</tr>
<tr>
<td>7</td>
<td>United Kingdom</td>
<td>Europe</td>
<td>29.2 million</td>
<td>28.3 million</td>
<td>+3.2%</td>
</tr>
<tr>
<td>8</td>
<td>Germany</td>
<td>Europe</td>
<td>28.4 million</td>
<td>26.9 million</td>
<td>+5.5%</td>
</tr>
<tr>
<td>9</td>
<td>Malaysia</td>
<td>Asia</td>
<td>24.7 million</td>
<td>24.6 million</td>
<td>+0.6%</td>
</tr>
<tr>
<td>10</td>
<td>Mexico</td>
<td>North</td>
<td>23.4 million</td>
<td>23.3 million</td>
<td>+0.5%</td>
</tr>
</tbody>
</table>

Source: UNWTO Annual Report 2011
Table 2: International Tourism Receipts

<table>
<thead>
<tr>
<th>RANK</th>
<th>COUNTRY</th>
<th>UNWTO REGION</th>
<th>TOURISM RECEIPTS (2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United States</td>
<td>North America</td>
<td>$166.3 billion</td>
</tr>
<tr>
<td>2</td>
<td>Spain</td>
<td>Europe</td>
<td>$59.9 billion</td>
</tr>
<tr>
<td>3</td>
<td>France</td>
<td>Europe</td>
<td>$53.8 billion</td>
</tr>
<tr>
<td>4</td>
<td>China</td>
<td>Asia</td>
<td>$48.8 billion</td>
</tr>
<tr>
<td>5</td>
<td>Italy</td>
<td>Europe</td>
<td>$43.0 billion</td>
</tr>
<tr>
<td>6</td>
<td>Germany</td>
<td>Europe</td>
<td>$38.8 billion</td>
</tr>
<tr>
<td>7</td>
<td>United Kingdom</td>
<td>Europe</td>
<td>$35.9 billion</td>
</tr>
<tr>
<td>8</td>
<td>Australia</td>
<td>Oceanic</td>
<td>$31.4 billion</td>
</tr>
<tr>
<td>9</td>
<td>Macao</td>
<td>Asia</td>
<td>$27.8 billion</td>
</tr>
<tr>
<td>10</td>
<td>Hong Kong China</td>
<td>Asia</td>
<td>$27.2 billion</td>
</tr>
</tbody>
</table>

The table above reveals that, of all the regions of the world, Europe remains the most visited and greater tourist attraction. Thus, it is not surprising that the region has benefited most from the sector.

Statement of the Research Problem

Tables one and two above clearly indicate the major players in tourism globally. Unfortunately, no African country falls into the group. It is also clear that those favoured countries have not attained this noble feat just by luck. It is the result of hard work which is made manifest in their input, programs and policies which have emplaced the necessary conducive atmosphere for the sector to make meaningful contributions to their economies. For instance, table 3 below illustrates the quantum of expenditure/investments by such countries in the area of tourism.

Table 3: International Tourism Expenditures

<table>
<thead>
<tr>
<th>RANK</th>
<th>COUNTRY</th>
<th>UNWTO REGION</th>
<th>TOURISM EXPENDITURE (2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Germany</td>
<td>Europe</td>
<td>$84.3 billion</td>
</tr>
<tr>
<td>2</td>
<td>United States</td>
<td>North America</td>
<td>$79.1 billion</td>
</tr>
<tr>
<td>3</td>
<td>China</td>
<td>Asia</td>
<td>$72.6 billion</td>
</tr>
<tr>
<td>4</td>
<td>United Kingdom</td>
<td>Europe</td>
<td>$50.6 billion</td>
</tr>
<tr>
<td>5</td>
<td>France</td>
<td>Europe</td>
<td>$41.7 billion</td>
</tr>
<tr>
<td>6</td>
<td>Canada</td>
<td>North America</td>
<td>$33.0 billion</td>
</tr>
<tr>
<td>7</td>
<td>Russia</td>
<td>Europe</td>
<td>$32.5 billion</td>
</tr>
<tr>
<td>8</td>
<td>Italy</td>
<td>Europe</td>
<td>$28.7 billion</td>
</tr>
<tr>
<td>9</td>
<td>Japan</td>
<td>Asia</td>
<td>$27.2 billion</td>
</tr>
<tr>
<td>10</td>
<td>Australia</td>
<td>Oceanic</td>
<td>$26.9 billion</td>
</tr>
</tbody>
</table>


UNWTO Annual reports (2013) shows that; Europe remains the most visited region in the world, led growth in absolute terms, welcoming an additional 29 million international tourist arrivals in the year (2013) raising its total 563 million tourists. Growth (+5%) exceeded
the forecast for 2013 and doubled the region’s average for the period 2005-2012. In the region of Asia and Pacific, the number of international tourists grew by 14 million (-6%) to reach 248 million in the year under review. The America’s saw an increase of 6 million arrivals (+4%) reaching a total of 169 million. While Africa attracted three million additional arrivals (+6%) to reach a new record of 56 million, reflecting the ongoing rebound in North Africa (+6%) and the sustained growth of sub-Saharan destination (+5).

This improvement in African share in tourism must have come through the creation of a better enabling environment in favour of the sector which calls to question, the role of African governments. It is in this vein that this paper seeks to ascertain the role of the Federal Government in Nigeria in boosting the nation’s tourism potentials for sustainable growth and development of the economy.

Objectives of the Study
The broad objective of this study is to ascertain the role of the Nigerian Federal Government in activating the potentials of tourism to enhance the nation’s quest for sustainable development. Specifically, the paper seeks to:

1. Examine the role of the federal government in emplacing policies/institutions to boost the potentials of tourism in Nigeria.
2. Ascertain the extent to which the federal government in Nigeria can enhance sustainable development through tourism potentials

Research Questions
The study will provide answers to two questions:
1. What role has the Nigerian federal government played in boosting tourism in recent years?
2. To what extent can federal government activate tourism to enhance sustainable development in Nigeria?.

Literature Review
Concepts
A common definition of the concept of sustainable development has not been easy to come by. However, two outstanding views may be considered. Ecologists associate sustainability with the preservation of status and function of ecological systems. On the other hand, economists believe that sustainability is about the maintenance and improvement of human living standards. It is therefore, opined that, “if sustainability is anything more than a slogan or expression of emotion, it must amount to an injunction to preserve production capacity for the indefinite future” (Solow, 1999). Hence, while in the ecologists’ view natural resources have a value that goes beyond their productive use and cannot be substituted by other forms of capital, within the economists’ view, natural resources can be consumed and substituted by other forms of capital as long as productive capacity is maintained.

The world commission on Environment and Development (Bruntland Commission, 1987), defined sustainable development as, “development that meets the needs of the present
without compromising the need of future generations to meet their own needs”. Toman (1999), captures the views of economists and ecologists to this definition as follows:
If one accepts that there is some collective responsibility of stewardship owed to future generation, what kind of social capital needs to be intergenerational transferred to meet that obligation? One view to which many economists would be inclined, is that all resources—the natural endowment, physical, capital, human knowledge and abilities—are relatively tangible sources of well-being. Thus, large scale damages to ecosystems such as degradation of environmental quality, loss of species diversity, widespread deforestation or global warming are not intrinsically unacceptable from this point of view. The question is whether compensatory investments for future generations are possible and undertaken.

This suggests that if one is able to identify the determinants of these “needs” and what types of resources are required to satisfy these needs, one should in principle determine (which) resources to transfer. An alternative view embraced by many ecologists and some economists, is that such compensatory investments often are unfeasible as well as ethically indefensible.

Tourism: Travel for recreation, leisure, or business purposes are referred to as tourism. The United Nations World Tourism Organization (UNWTO)(2013), defines tourism as,
1. Activities of persons travelling to and staying in places outside their usual
2. Environment for not more than one consecutive year for leisure, business, and other purposes not related to the exercise of an activity remunerated from within places visited.

Economic Development:
Development may mean different things to different people. However, in strict economic terms, development has traditionally meant the capacity of a national economy, whose initial economic condition has been more or less static for a long time, to generate and sustain an annual increase in its gross national income (GNI) at rates of 5% to 7% or more. An alternative common economic index of development has been the use of rates of growth of income per capita to take into account the ability of a nation to expand its output at a rate faster than the growth rate of its population. For Dudley (1909), “the questions to ask about a country’s development are: what has been happening to poverty? What has been happening to unemployment, what has been happening to inequality”. For Sen (1999), “development has to be more concerned with enhancing the lives we lead and the freedoms we enjoy”

The Literature
Studies abound on the potential of Tourism and the impact of the sector on Nigeria’s sustainable development. For instance, Ekundayo and Abutu (2015), conducted a study titled, “Nigeria Tourism: a catalyst for sustainable national development”. The paper examined the tourism industry and its impact at the global level, the Nigerian tourism and the numerous tourism resources therein. The challenges confronting the sector were identified, such as lack of adequate infrastructure, insecurity, among others and recommendation for the sector to live up to its responsibility, and the need to address the issue of insecurity and infrastructural decadence among others.
In a related development, Eneji, Odey and Bullus (2016) carried out an empirical investigation titled, “Diversification of Nigeria’s economy; Impact of tourism on sustainable development in Nigeria”. The purpose of the study was to investigate whether tourism subsector has any significant impact on the Nigerian economy. The dimensions of impact assessed include employment, infrastructure, environment resources development, GDP, capital investment and domestic participation. The study showed that tourism has significant positive impact on the economy, but the subsector is still under-invested and under-utilized. It was also found that there is a direct linkage between tourism, environment and the local economy in terms of social and economic development. The paper observed that Nigeria has abundant, but untapped resources. The nation should turn to agriculture and tourism in the face of dwindling oil prices and massive unemployment.

**Theoretical Framework**

The Economic system as a closed and linear system. This study adopts as its theoretical framework, the neo-classical theory of a closed linear system (Pearce, 1972)

![Diagram of Market of goods and services, Firms, Market of production factors, Households]

*Source: Romanian Statistical Review nr. An Elaboration on Turner k, et all p.28*

The endogenous growth models are in alignment with the basic philosophy of the Solow approach (i.e. removing both the assumptions of decreasing productivity of capital and ergogeneity of technical progress) which leads both to denying that in the future, we have the process of convergence between the growth rates of the various countries and to predict the tendency to continue expanding. Classical economists like Malthus, Ricardo, Mill, Marx, etc. believe that the economic activity was conditioned by environment. They also believed in the role of the market as an indispensable basis for economic growth. Such markets would have, as a matter of fact, distributed merits and efficiency, generating wealth for all. The theoretical conclusion and confidence by the classical economists only held in the short-term context. In the long-run however, the economy would still be found in stationary state which coincides with mere subsistence level by all. This is because of the full awareness of natural resources as a scarce and limited entity, or as a finite set of natural resources, causing a brake on growth. The point of view, “pessimistic” of the classical economists in the long-term is well expressed in the studies of Malthus and Ricardo who watched the constraints imposed by the environment in terms of scarcity of fertile land for cultivation.
Unlike the classical, the traditional neo-classical economists in considering the economic system as a closed and linear system (Turner, Pearce and Bateman), did not take into account, the binding connection between the economic system and the environment. The environment only has an instrumental value. There are resources to be shaped and used in the production function to meet the market equilibrium. The unlimited exploitation of natural resources is commonly accepted as the prices to pay for fueling economic growth and provide employment.

Data Sources and Analysis
Content analysis is employed as the tool for analyzing data for the study obtained from secondary materials. This is done in the following sequence:

Research Question One: What policy measures/institutions have the Nigerian Federal Government emplaced to boost the nation’s tourism potentials?

In Nigeria, various tourism development efforts are usually coordinated by the Nigerian Tourist Association (NTC). Its responsibility is to provide better policy support and leadership on the part of government to the development of tourism in the country. The nation secured full membership of the international union of Official Travel Organization (IUOTO) now United Nations World Tourism Organization (UNWTO) in 1964 and the promulgation of Decree 54 of 1976 establishing the Nigerian Tourism Board. The decree was subsequently amended to meet the challenges of the times and in line with the tourism policy. This gave birth to Nigeria Tourism Development Corporation (NTDC) Decree of 81 of 1992. Following this development, the corporation became the apex tourism agency of the Federal Government of Nigeria charged with the overall responsibility of promoting, marketing and coordinating tourism activities in Nigeria. Through this institution/agency, government has set out and pursued the following specific objectives:

1. Creating the enabling environment for tourism activities to flourish through the promotion of good standards and efficient service delivery in the hospitality sector and to facilitate the investment sector.
2. Making tourism a major revenue earner by harnessing the country’s rich cultural heritage and other tourism assets with an efficient, productive and highly motivated workforce.
3. Publicizing and promoting Nigeria’s endowments through part and electronic media/internet, production of quality brochures, flyers, guide maps, documentaries and active participation at local and international fairs/exhibitions.
4. Standardizing and sanitizing the industry through registration, inspection, classification and grouping of the hospitality and tourism enterprises to meet international standard and customer satisfaction.
5. Ensuring the provision of reliable and up-to-date tourism statistical data and establishment of tourism Data Bank and implication of tourism satellite account (TSA) to access the impact of tourism in the nation’s economy.
6. Liasing with other government agencies such as Immigration Service, Federal office of Statistics, CBN, National Population Commission, to produce Annual Tourism statistical Data and tourism satellite Account.
7. Identifying, assessing and documenting tourism sites and attractions for investment and promotion purposes.
8. Establishing and enforcing code of conduct for travel, trade and business operators.
9. Liaising with relevant government ministries and agencies to ensure the provision of necessary infrastructure to tourism sites.
10. Providing technical and advisory services to public and private sector operators in the tourism industry.
11. Ensuring and maintaining standards within the industry
12. Facilitating the promotion and marketing of the tourism products and services within and outside the country.
13. Promoting technical and professional tourism services
14. Facilitating and encouraging private sector and local communities’ participation in the development of the tourism industry.

An empirical support of the role of government institutions in boosting tourism potentials in Nigeria is found in the study by Ajadi (2012) captioned, “an evaluation of the performance of a national tourism organization: Nigeria tourism development corporation”. The paper focused on the performance of the activities of national tourism organization in developing countries with a focus on the Nigeria Tourism Development Corporation (NTDC) as a policy organ in tourism planning and development in Nigeria. The study reveals that the main tourism policy thrust body is bedeviled with certain challenges and threats in facilitating the continued development of an economic and environmentally sustainable and spatially balanced tourism sector, through the formulation, monitoring and reviewing a range of supportive policies and programmes within the framework of the national development plan, MDGs, NEEDS etc.

**Research Question Two (2). To what extent can Federal Government boost the nation’s tourism potentials for sustainable development in Nigeria?**

Generally, Nigeria’s tourism potentials can be harnessed in a number of ways to enhance the nation’s sustainable development.

**Employment generation in the sub-sector**: Majebi and Abutu (2010), from their study, observed that “over 70% of the unemployed are among the relatively unskilled people between the ages of 20-35 years”. The study further revealed that, “Hospitality and Tourism industry provide veritable opportunities since the industry is highly labor-intensive; hence, it is a valuable source of employment”. This view was also shared by Doswell (1997) that, “tourism employs a large number of people and provides a wide range of jobs which extend from unskilled to highly specialized”. In addition to the indirect jobs created in the industry, a large number of specialists are required to work as: accountants, Housekeepers, Tour Guides, Cooks, Entertainers, etc. Tourism also has what it takes to create employment outside the industry in the sense that those who supply goods and services are equally beneficiaries from tourism. The indirect employments include, those involved in furnishing and equipment, souvenirs makers, farmers and food suppliers, transporters, photographers, among others.
Balance of payment: Page and Connell (2006), have observed that, “improving the balance of payments is probably the greatest justification used by government to promote tourism.” Tourists are viewed as invisible exports which have great impact on national economies. This makes the sector quite significant as Nigeria’s overall balance in the non-oil sector is generally on the deficit side.

Redistribution of wealth (multiplier effect): Tourism has been lauded as a good avenue for the redistribution of income from rich areas with abundant employment opportunities to poorer areas where such opportunities are scarce. The scenario created during festive periods like Sallah and Christmas, are good examples of where people from urban rich areas like Lagos, Kaduna, Onitsha, Enugu, Abuja, Owerri, etc, travel home with large sums of money to spend in rural areas, thus, making the rural business areas to bubble with social and economic activities. Such periods enhance the injection of much money into rural economies thereby boosting rural income. Also, it needs be underscored that many tourist centres are located in the rural areas which help in the redistribution of income. The empirical evidence in Ekundayo and Abutu (2015), also reveals that, “tourism has become a driving force in the improvement of global economies and substantial contributor to world revenue”. The UNWTO Annual Report (2012), indicated that, “tourism generates 5% direct global GDP, 235 million jobs worldwide, 30% of the world export of services, 980 million International Tourists in 2011, and 103 billion US dollars generated by tourists. Thus, any government efforts towards boosting tourism will certainly enhance the nation’s drive for sustainable development.

Findings
The analyses in this study underscores the point that the top ten (10) tourist attractions/centres across the globe between the period of 2011-2013 were all located in Europe and the Americas (North America). Such feat did not fall like manner from heaven but was rather, the result of hard work and commitment of the countries concerned. African countries can attain such feat if the governments in such countries show adequate commitment. This is the justification for several policies/objectives articulated by recent administrations in Nigeria.

Thus, through its authorized agency (the Nigerian Tourism Development Corporations), the Federal Government has been playing a significant role to reposition its tourism sector. Some of them include:

1. The establishment of the Nigeria Tourism Development Corporation (NTDC) established by Decree 8 of 1992.
2. Creation of enabling environment through the promotion of good standards and efficient service delivery in hospitality sector.
3. Making tourism a major revenue earner by harnessing the country’s rich cultural heritage and other tourism assets with an efficient, proactive and highly motivated workforce.
4. Standardizing and sanitizing the industry through registration, inspection, classification and grouping of the hospitality and tourism enterprises to meet international standard and customer satisfaction.
5. Ensuring the provision of reliable and up-to-date tourism statistical data.
6. Liaising with other government agencies such as immigration service, Federal office of statistics, CBN, National Population Commission, to produce Annual Tourism Statistical Data and Tourism Satellite Account.
7. Identifying, assessing and documenting tourism sites and attractions for investment and promotion purposes.
8. Establishing and enforcing code of conduct for travel, trade and business operators.

Government is currently performing these roles. This notwithstanding, government can go beyond these stated roles to enhance the nation's sustainable development. These include:

**Employment generation in the sub-sector:** This study has also revealed that the, “Hospitality and Tourism industry provided veritable opportunities since the industry is highly labor-intensive, hence, it is a valuable source of employment.

**Balance of payment:** It is no longer news that the non-oil sector in recent times, has not helped Nigeria’s BOP posture. Tourists are viewed as invisible exports which have great impact on national economies. It is the view of many that this sector can enhance the nation’s BOP account.

**Redistribution of wealth:** There is a multiplier effect associated with travels in Nigeria and beyond. During festivals (e.g., Christmas, Sallah, etc) most Nigerians travel to the rural areas with much money. This impacts positively on the rural space.

**Conclusion**
The justification for tourism development across the countries of the world is informed by the fact that the sector has turned a driving force in the improvement of global economies. As revealed in the UNWTO (2012) annual report, tourism generates 5% of direct global GDP, 235 million jobs worldwide, 30% of world export services, 980 million international tourists in 2011 and 103 billion US dollars generated by tourists. Though there is abundant evidence to show improvement in the sector in recent times, Nigeria’s yet to have a fair share of the global benefits from tourism. As revealed in this study, the country is trying its best to achieve an enviable position in the global tourism industry. However, since its policies and measures are yet to yield the desired dividends, this paper posits that such measures be revisited through reforms. The nation holds out greater potentials in the sector than it has and is currently harnessing.

**Suggestions**
Against the background of the findings of this investigation, the following suggestions suffice.

1. More tourism sites should be identified through the collaboration of traditional rulers. This is because such rulers have a reasonable spread across the country and are the custodians of such sites.
Existing and newly identified sites should be given attention by the agency concerned. This is to say that adequate finding should be made available for proper development and maintenance.

Research should be conducted to ascertain the secret behind the success of tourism in the top ten global pace-setters in the industry. This will enable Nigerian authorities to sharpen their operational modalities to enhance growth of the sector in Nigeria.

Operatives of the sites should be adequately trained to enhance their operational efficiency.

The Federal Government must realize and appreciate the need for regular reforms in the sector to keep pace with global realities.

Statistics should be regularly updated to ascertain the types of skills required in the industry. This will also enhance training of workers in the sector.

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