

Diversifying Nigeria's Economy through Tourism; Boosting Socio-Economic Development: An Overview.

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Abstract

Nigeria's vast tourism potentials, including historic towns and highly diversified cultural heritage embodying people's traditions, religion and belief systems, festivals and ceremonies when properly harnessed are capable of diversifying the economy and boosting the socio-economic development of the country. Tourism over the years has proven to be a strong and resilient economic activity and a fundamental contributor to economic growth of nations. It generates billions of dollars in exports creating millions of jobs. On the basis of this, this study sets out to examine the need to diversify Nigeria's economy through tourism since crude oil, the major source of foreign exchange, is slowly but surely getting exhausted. With the incessant fall in the price of crude oil, Nigerian workers are owed months of salary arrears. To achieve the objectives of the study, two hypotheses were formulated as a guide and literatures related to the variables were reviewed. In pursuance of this, the survey design was adopted and a total of 290 questionnaires were designed and administered to elicit information from respondents. With the Pearson Moment Correlation Coefficient analysis employed at .05 significant level, all the null hypotheses were rejected and the alternate accepted. Among the findings include that tourism development is very vital in the diversification of Nigeria's economy since the country has vast tourism potentials, historic towns and highly diversified cultural heritage embodying people's traditions, religion and belief systems, festivals and ceremonies that are capable of boosting the socio-economic development of the country. Secondly, tourism has become more recognized as a potential industry that contributes to a country's revenue, economic growth, balance of payments, and foreign exchange earnings, creating various employment opportunities. Based on these findings, this study concludes that revenue inflow from tourism can be of great benefit for business turnover, welfare of individuals, household income, employment, private revenue among others. The study therefore recommends that Nigerian government, among others, need to lay more emphasis on developing the tourism potentials of the country through effective coordination among the tourism related institutions as well as the private sector because tourism under sole government control cannot diversify the country's economy.

Keywords: *Tourism; Socio-economic development; Employment; Diversification of the economy; Tourism Policy*

Introduction

Today, tourism has gained a global importance as it continues to play an outstanding role in the socio-economic development of both developed and developing countries. According to Abdul, Tahir and Muhammed (2013), in Akighir, and Aaron (2017), tourism industry is an important business sector of the world, and its importance is clearly observed in its ability to raise revenue, generate employment opportunities, encourage the private sector, as well as develop infrastructure for the development of Nigeria's economy. Put differently, tourism,

directly and indirectly, is an economic sector that is known to offer significant contribution to the economic improvement of a country through the creation of employment opportunities, improvement of infrastructure, as well as the supply of goods and the necessary services for tourist activities. In this vein, Yusuff and Akinde (2015) maintain that when tourism business is sustainably managed, an economy can be improved upon by facilitating the transfer of technology and information, accelerating reforms and empowering women, as well as changing the deplorable status of minorities. Lending credence to this, Amalu, Oko, Idam and Oko-Isu (2019) assert that tourism provides a major economic development opportunity for many countries as well as improving the livelihood of its residents. With this, tourism experts agree that the identification of the tourism industry as one viable sector capable of generating immense revenue and wealth for the sustainability of the economy cannot be over emphasized. This assertion seems to explain the reason the tourism industry has not only grown in recent times to become an alternative source of earning foreign exchange outside crude oil for the country, but has also assisted investors in the industry to make returns from their investments. Evidently, the increasing growth of the tourism sector in the last couple of years has been an unambiguous acknowledgment that the industry is one of Nigeria's fastest growing industries. Contributing earlier, Frangialli (2006) says tourism fetches several benefits to governments at all levels as well as private sectors through the generation of revenue, foreign exchange, and financial returns on investment, taxation on tourists and tourist products, and linkages to other local industries such as agriculture and fisheries. Succinctly put, the role of tourism as an industry that contributes to a country's revenue, economic growth, balance of payments, and foreign exchange earnings has become more recognized nowadays than ever. This is because tourism has proven to be a growing source of revenue to the private sector as well as a major source of income to individuals thereby improving welfare.

Following this strand of thought, Gunduz and Hatemi (2005) cited in Su & Lin (2014) submitted that the tourism industry is widely acknowledged as a world source of invigorating economic growth, and in addition, creating employment. It is in this vein that, United States Institute of Peace Organization in 2009 reported that tourism has several advantages over other industries; it directly benefits the locals that provide goods as it is consumed at the start of production, and also provides an opportunity to those countries that are limited in resources but wealthy in culture, history and heritage to use these characteristics as their source of generating revenue for both government and individuals. Corroborating this assertion, Onetiu & Predonu (2013) assert that tourism is these days contributing to employment growth, business development, social development (the ties between nations), the cultural, environmental quality, development and economic growth unlike before when it was generally regarded as a source of leisure.

Substantiating, Alsarayreh (2017) maintains that the activities of tourism are practiced through its service units such as hotels, restaurants, transport means, etc., which in turn interferes with the production elements and transforms them into a service package sold to tourists. Basically, tourism impacts are also spread across the economy in areas of construction, telecommunications, retail and manufacturing. Going by this assertion, it is obvious that the tourism industry is an inclusive, sustainable, labor-intensive industry that engages both skill and unskilled labour (Miba'am & Dashol, 2015). Reflecting on this position, tourism experts are in agreement that the tourism industry has continued to generate employment for millions of people, and everyone seems to profit from it as the lives of the beneficiaries are improved. Corroborating, Okonkwo (2014) cited in Nwagba, Chukwu, and Minini (2020) states that the tourism industry generated an estimated 199 million jobs - one

in every 13 jobs worldwide. In another strand of thought, Obalade and Dubey (2014) affirm that tourism is an economic activity that promotes economic growth and a growing source of revenue to government, private sectors as well as a major source of income to individuals through the creation of various employment opportunities as well as contributing to their individual welfare. Sustaining his earlier assertion, Alsarayreh (2017) avers that the economic impact of tourism is demonstrated by the increase of tourism revenues from foreign exchange which gives the necessary thrust for development by providing the largest amount of foreign currency spent by tourists on various touristic and non-touristic services and goods during their stay. According to him, tourism plays an important role in the economies of countries and occupies a prominent place in the international community due to the attention it receives from governments and experts, stressing that any country that has been developing the tourism sector is in its way to economic development and to the improvement of the economic structure.

Since tourism has the potentials to diversify and improve the socio-economic development of Nigeria, its bold attempts to challenge the oil sector, the major source of revenue for government recurrent and capital expenditures has been remarkable. Prior to this, the federation account which derives funds majorly from crude oil exportation has always found it difficult to perform its statutory duties to the other tiers of government whenever there is any abrupt fall in the price of oil in the international market. For example, aside from the sudden fall in prices of oil as was evident between the end of 2014 and 2015 when the price of crude oil crashed as low as \$40 from over \$120, the first wave of COVID-19 pandemic also further worsened developmental strides of government. Consequently, the usual disbursement of funds to the second and third tiers of government in the federation was negatively affected to the extent that a lot of state governments were unable to pay their workers' salaries for months. While criticizing government borrowing externally to augment the revenue accruing to the federation account due to the strict economic conditions attached, the tourism sector is set to become an alternative source of earning huge foreign exchange to boost the economy. Sequel to this, the development of tourism destination areas all over the world, according to Ajake (2015), has increased the international tourist arrivals thereby increasing the foreign revenue earnings of government. Substantiating, Ajake maintains that the review of tourist arrivals over the past ten years indicated clearly that in 2005, an estimated 800 million tourists were documented, a 5.5% increase following the 10% surge registered in the preceding year. By 2007, the figure appreciated to 940 million, with a growth of 6.6 percent as compared to 2005, while in 2014, over 1.1 billion tourists travelled across the globe for tourism purposes (World Tourism Organization, 2014). As a new source of foreign exchange earner for the country, Eneji, et al (2016) argues that tourism is compelling aspiring nations to develop tourist sites, standardize operations and improve infrastructures such as electricity, airports, rail, roads, seaport that support tourism. Unarguably, every effort of government, particularly state governments these days, is geared towards harnessing the tourism potentials where they have comparative advantage to increase their internally-generated revenue profiles.

As a result, the renewal of interest and determination by government to develop and promote tourism following her policy on tourism formulated in 1991 has been gratifying to all states and local governments desirous of expanding and diversifying their sources of revenue base. As enunciated in the document, the focus is to make Nigeria a leading tourism destination in the African region as well as to generate foreign exchange as well as employment for the well-being of all and sundry. In a related development, the policy also aims to promote tourism-based rural enterprises, accelerate rural-urban integration, and foster socio-cultural

unity among the various regions of the country. The promotion of active private sector participation is also one of the fundamental objectives in the deed. But many years after, the first two cardinal foci of the policy have not been achieved, and neither has Nigeria assumed the status of a leading tourism destination in Africa or even generated the much foreign exchange envisaged.

1.2 Statement of the problem

From the foregoing treatise, the problem of this study is the overdependence on crude oil as the main source of running governance in Nigeria despite its frequent price fluctuations in the international market which often leads to a negative multiplier effect on the country's economy. This negative effect has trickled down to the various states of the federation making it difficult to accomplish development objectives. Crude oil, the major source of foreign exchange earnings is a non-renewable resource that is gradually getting exhausted and as its receipts begin to recede, government at all levels are beginning to give more attention to tourism to rescue the ugly trend. These days, Nigeria is indeed becoming Africa's tourist paradise waiting to happen as it has in abundance all that an average tourist desires. Indeed, Nigeria has many beautiful types of scenery that can boost the economy, rather than allowing these natural resources lay waste and untapped. As crude oil receipts begin to recede, a growing number of tourist destinations in the country are opening up as more and more states are tapping into the industry, with a corresponding increment in investment, turning tourism into a key driver of socio-economic progress through job creation, increase in revenues from both indigenous and foreign tourists. This being the case, what is required is diversification of the economy through tourism development for alternative livelihood strategy outside crude oil. As the world economy is presently driven by the services sector to which tourism is a major component, the volume of business activities generated by tourism globally equals or surpasses that of oil exports. Unlike oil that is non-renewable and suffers global price volatility, tourism is renewable and sustainable. The downstream economic impacts from the exports revenues of international tourists' spending are, according to Eneji, Odey and Bullus (2016), estimated to generate additional annual gross revenue of \$224m (N29b). Obviously, if tourism was taken up as profitable diversification option, there is absolutely no reason why the Nigerian macro economy should have been in recession because of oil price fluctuations.

Based on the foregoing, the general objective of this study is to investigate how Nigeria's tourism landscape, extremely rich and beautiful for global tourist attraction can be harnessed to diversify Nigeria's economy since crude oil, the major source of foreign exchange earnings which is a non-renewable resource, is gradually getting exhausted by the day, particularly now that its receipts are beginning to lose its worth for meaningful developmental strides. As a result, the specific objectives include:

1. To evaluate Nigeria's huge tourism potentials towards harnessing them for diversification of the country's economy
2. To determine the role of the tourism industry in curbing the rate of employment in Nigeria

1.3 Hypotheses

In an attempt to achieve these objectives, three hypotheses were formulated to guide the study. These are:

- 1) Tourism potentials of the country can be harnessed to diversify the country's economy

- 2) There is a significant difference between tourism and the rate of employment in Nigeria

1.4 The significance of the study

This study will provide the opportunity to understand tourism as an industry in itself and also why many countries in the world rely on this sector to build their economies, increase their financial revenues, as well as to diversify their revenue base. In addition, the study shows that tourism is a very important resource for the economy and development, and when properly developed, it can diversify the country's economy since the frequent fall in the price of crude oil can no longer sustain the economy as previously. Equally important is the fact that with tourism, it is easier to mobilize energies and efforts to develop all economic sectors and resources as the backbone of economic life and to find practical plans and programmes developed by the government with the involvement of the private sector. Furthermore, tourism businesses depend extensively on each other as well as other businesses, government and residents of the local community. Finally, this study also reveals that economic benefits of tourism will reach virtually every-one in whatever region or state in one way or another because economic impacts are important factors in marketing and management decisions in the diversification of any country's economy. Besides, from the ecological point of view tourism is often more acceptable and preferable than any other industrial production, as it is environmentally friendlier. What is more, tourism can employ much labour force to reduce unemployment, and also create an alternative source of revenue for government aside crude oil. With this, it is obvious that the tourism industry is capable of attracting a global attention to diversify the country's economy.

2. Conceptual framework

2.1 What is tourism?

The term, tourism has been variously defined. For Gilbert (1990), tourism is a form of recreation which involves travel to a less familiar destination or community for a short-term period, in order to satisfy a consumer's need for one or a combination of activities. In its own, the United Nations World Tourism Organization (UNWTO) (2015) defines tourism as the activities of persons traveling to and staying in places outside their usual 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 the place visited. More precisely, tourism refers to any activity that voluntarily and temporarily takes people away from their usual place of residence in order to satisfy the need for pleasure, excitement, experience and relaxation (Falade, 2000). The benefits of these activities are multifarious, bringing benefits to the communities that produce the tourism goods; enabling communities that are poor in material wealth but rich in culture, history, and heritage to convert their unique characteristics for income-generating advantage; and more importantly, tends to encourage the development of multiple-use infrastructure that benefits the host community.

Nigeria is vast in tourism potentials, historic towns and highly diversified cultural heritage embodying people's traditions, religion and belief systems, festivals and ceremonies (Bankole, 2013). These symbolic representations are capable of diversifying Nigeria's economy in order to boost the socio-economic development of the country. Obviously, tourism over the years has proven to be a strong and resilient economic activity and a fundamental contributor to economic growth of nations by generating billions of dollars in exports and creating millions of jobs. According to Bankole (2002), investments in Nigeria's tourism subsector are expected to benefit several stakeholders; efficient suppliers of tourism services, host communities, tourists, tourism investors and the government. Admittedly, the tourism sector has constraints and opportunities. The sector has, in spite of these, become a

vital part and fourth largest industry in the global economy, and delivering not only economic benefits to individuals, organizations and governments but also having the capacity to deliver peace and prosperity, especially in the developing countries of which, Nigeria is (UNWTO, 2008). Of the diverse tourism possibilities and rich cultural heritage in Nigeria, both the private sector and government are getting them developed, mainstreamed and harnessed into the Nigeria's global tourism industry to change the face of the nation's economy.



Fig.1: Participants at the famous Calabar Christmas Carnival

While this milestone developmental stride is on-going in Nigeria, tourism the world over has continued to witness growth as more people are involved in travel and tours. UNTWO(2014) estimated that international tourist arrivals grew by 5% in 2013, reaching a record 1,087 million, the organization added that this is despite the global economy in 'low gear' it went ahead to forecast a 4% to 4.5% growth, again which is above the long term projections in 2014. Africa has not been left out of the growth experience in the tourism sector; Elsha Grancourt in UNTWO (2013b) said tourism has become a sector of great importance in Africa. In 2012 for the first time; Africa broke the record in terms of international tourism with 52.3 million tourist arrivals and US\$33.5 billion in tourist receipts. It is evident that developing countries are beginning to attract tourists as maintained by Neumayer (undated), who averred that many developing regions in the world increase their market share rapidly and also derive a much higher share of their Gross Domestic Product (GDP) from tourism receipts than developed countries. Arts (2011) in its findings posited that tourism is growing faster in the world's emerging and developing regions than in the rest of the world. The study further added that in 2007, tourists spent US\$295 billion in developing countries almost three times the total international development assistance. Sequel to this, tourism is increasingly viewed by scholars as one of the best opportunities and most viable option to replace crude oil which suffers from incessant price fluctuations in the international market, and which often leads to a negative multiplier effect on the country's economy. Since the negative effect

of incessant price fluctuations of oil has trickled down to the various states of the federation making it difficult to accomplish development objectives, Nigeria's tourism industry is indeed becoming tourists' paradise waiting to happen as it has in abundance all that an average tourist desires.

Essentially, the tourism industry greatly depends on human contact, with the sheer volume of traffic and increasing spending power which has resulted to a rapid economic boom, the business travel market is boosted (Joffres et al., 2004). As an agent of economic change, tourism is important because visitors' spending generates income for both public and private sectors, and in addition, affect wages and employment opportunities. Corroborating this view, Amaluand Ajake (2012) observe that about 270 million tourists spent \$92 billion (US) annually in places outside their own countries, and by implication, visitor arrivals rate is approximately 6 percent per annum.

In a related development, Dalat (2010) cited in Nwagba, Chukwu, & Minini (2020) maintains that the sum of N1.149m was realized in 2004 while N100m was generated in 2009 from levies in the hospitality sector (registration and other charges). In addition, N313m was generated by company tax (National Bureau of Statistics, NBS). In 2011, the industry contributed about N1, 232.2 billion (3.3 percent) to the GDP in Nigeria. In its report, the WITC held that the tourism industry generated 897,500 jobs in 2012 and this represented 1.4% of Nigeria's total workforce, and the amount is expected, by 2022, to grow by 6.5% per annum to N483.4 billion. This huge sum improved the Gross Domestic Product (GDP), employment, economic and social progress within Nigeria and Africa as a whole (Tunde, 2012). Following this accomplishment, World Trade Organization (WTO, 2014) as quoted by Eneji, Odey and Bullus (2016) holds that tourism and hospitality industry is one of Africa's greatest but most under invested assets, with market worth \$50billion, but has \$203.7 billion of untapped potential which represents four times its current level. What is more? The drive for development in order to advance a wider international integration has been one of the reasons tourism is regarded as a valued tool (Ajake, 2015). Earlier, the United Nations (2013) observed that the total contribution of Travel and Tourism was not only outpacing the wider economy, but also growing faster than other significant sectors such as financial and business services, transport and manufacturing since its global economy stood at \$7 trillion representing 9.5% of global Gross Domestic product (GDP). Aside this statistics, World Tourism Organization (2014) again declared that a growing number of tourist destinations worldwide are opening up as more and more nations are tapping into the industry, with a corresponding increment in investment, turning tourism into a key driver of socio-economic progress through job creation, export revenues from foreign tourists as well as infrastructure development. By implication, one out of every eleven new jobs created in the world is in tourism (John, 2000).

In view of the foregoing, Eneji, Odey and Bullus (2016) maintain that an annual growth rate of tourism recorded was 5.5% as against the global growth rate of 4.1% over the past decade. The development of tourism destination areas all over the world has increased the international tourist arrivals. The review of tourist arrivals over the past ten years, according to Ajake (2015), indicated clearly that in 2005, an estimated 800 million tourists were documented, a 5.5% increase following the 10% surge registered in the preceding year. By 2007, Ajake (2015) asserts that the figure appreciated to 940 million, with a growth of 6.6% compared to 2005, while in 2014, over 1.1 billion tourists travelled across the globe for tourism purposes (World Tourism Organization, 2014). But since the outbreak of the COVID 19 pandemic, which the World Health Organization (WHO) first declared in January 2020,

the global public health and economic crisis have affected the \$90 trillion global economy beyond anything experienced in nearly a century (James K. Jackson, et al, 2020). As a result, the estimate of more than \$2.5 billion expected to have been earned by the close of 2020 including the Organization's forecast for international tourist arrivals of 77.3 million visitors to Africa same year was not attained because the COVID-19 pandemic affected trillions of dollars of the global economy beyond imagination.

Excluding any other global health issue again, it is estimated that international tourist arrivals are expected to grow by 3.3% in the next 15 years to reach 1.8 billion tourists in the next nine years (2030). Consequent upon this, the downstream economic impacts from the exports revenues of international tourists' spending is also estimated to generate additional annual gross revenue of \$224m (N29b) in Nigeria. Furthermore, the market share of emerging economies increased from 30% in 1980 to 47% in 2015, and is currently expected to reach 57% by 2030, equivalent to over 1 billion international tourist arrivals (UN, WTO's Long Term Forecast Tourism Towards 2030). From these projections, it is unambiguous that tourism is a major contributor to the development of major economies in the world, and going by this, diversifying Nigeria's economy through tourism is one of the most important decisions that will in no small measure assist in the diversification of the country's economy due to its global importance. In the same vein, Enea and Enea (2009) contend that the importance of the tourism industry has become increasingly larger at the global, regional, national and local levels because it is an industry that benefits from highly optimistic predictions for the future. Concurring, Onețiu and Predonu (2013) aver that tourism is one of the world's fastest growing industries accounting for about 7% of global capital investment; it creates new jobs, thus helps to attract surplus labour from other sectors thereby contributing to a decrease in unemployment.

Contributing to the discourse, Falade (2000) explained tourism as the activities of people travelling to and staying in places outside their usual environments for more than one consecutive day for leisure, business, and other purposes. More precisely, tourism refers to any activity that voluntarily and temporarily takes people away from their usual place of residence in order to satisfy their need for pleasure, excitement, experience and relaxation (Falade, 2000). The benefits of these activities are multifarious, bringing benefits to the communities that produce the tourism goods; enabling communities that are poor in material wealth but rich in culture, history, and heritage to convert their unique characteristics to income-generating advantage; and more importantly, it tends to encourage the development of multiple-use infrastructure that benefits the host community.

A cursory look at Falade's position above clearly shows that Nigeria has a huge tourism reservoir in arts, crafts, sport, park, museum, cultural and historical heritage, including good tropical weather, lush vegetation, and a collection of wild life that when properly harnessed, would generate substantial amount of money to provide adequately for the people. From east to west, from north down to south, the country is naturally endowed with rich tourist sites. The Osun Osogbo Groove, Sukur Cultural Landscape in Adamawa, Obudu Cattle Ranch, Ogbunike Cave, Oguta Lake, Yankari Game Reserve, Olumo Rock, Idanre Hills, Ikogosi Waterfall, Mambila Plateau... the list is inexhaustible, including those that are yet to come to limelight. When it comes to festivals, the list of eye-catching festivals is never-ending. From the Argungu Fishing Festival, to Osun Osogbo Festival, Abuja Carnival, Calabar Christmas Carnival, Cross River State Carnival, Eyo Festival, Igue Festival, Ojude Oba Festival, Badagry Festival, Durba Festival ... almost every state in the country at the moment hosts one or more festivals annually.

From the foregoing, it is obvious that tourism and economics are inter-woven; it makes the host country sell its value to the rest of the world as in the case of South Africa during the World Cup, and in the process, attracted tourists and direct foreign investment.



Fig.2: One of the South African Maiden Cultural troupes on display during the FIFA organized World Cup, Competition, 2010

The economic significance of tourism, particularly the increase of revenues from foreign exchange gives the basic thrust for development by providing the largest amount of foreign currency spent by tourists on various touristic and non-touristic services and goods during their stay. This position was very visible when South Africa (2010) hosted the World Cup; it allowed the host country showcase its tourist potential, creating an avenue for foreign investors to add value to the economy.

From this, it is evident that tourism has ceased to be leisure but an activity that has captured the attention of economists. This is sequel to the fact that Nigeria has boundless tourist attractions across the country. These enormous tourist potentials are scattered across the states of the country. As a matter of fact, this rich heritage provides a range of tourism development opportunities, which in no small measure is helping to generate revenue to improve the economy. As a result, it is now a source of generating revenue for developing and developed countries as well as compelling aspiring nations to develop both tourist sites, standardize their operations and improve infrastructures such as electricity, airports, rail, roads, seaport, that support tourism. While it could be argued that oil is non-renewable, and which at best employs less than 2% of the population, tourism on the other hand, is an inclusive, sustainable, labour-intensive industry, engaging both skill and unskilled labour. Put differently, tourism has the potential to create more jobs per unit of investment than the oil industry.

In the quest to develop the tourism sector in the country, Nigerian government at various tiers have developed policies and programmes to improve the performance of the sector in order to create employment and by extension, increase its contribution to Gross Domestic Product (GDP). Admittedly, the Nigerian Tourism Development master plan was facilitated through a collaboration with the United Nations World Tourism Organization (UNWTO, 2005), and the essence was to develop sustainable tourism by capitalizing on heritage diversity as the basis

for promoting domestic and international tourism. Unfortunately, sixteen years after the commencement of the implementation of the tourism master action plan, the dividends of the initiative is only beginning to bear fruits today in the Nigerian economy due to government renewed commitment.



Fig. 3: Obudu Mountain Resort, formerly known as Obudu Cattle Ranch.

The Obudu Mountain Resort, formerly known as Obudu Cattle Ranch is one of the most beautiful and pleasant tourist center destinations in Nigeria. It is located on the Obudu Plateau, close to the Cameroon border, in the Northeastern part of Cross River State. It has an attractive landscape and calming ambiance, with clouds smiling down on its peaks and valleys. The resort offers visitors a good blend of warm and cold temperatures, as it has very temperate weather. The rooms in Obudu Mountain Resort are made up of chalets, standard rooms, executive rooms, huts and presidential suites. Although this resort is open to visitors throughout the year, the period between October and February is the best time to visit, as it is the time when the sky is very bright and the air, frosty.

Economically, tourism brings many benefits to government as well as the private sector through the generation of revenue, foreign exchange, and financial returns on investment, taxation on tourists and tourist products, and linkages to other local industries such as agriculture and fisheries (Frangialli, 2006). From the foregoing, tourism contribution to Gross Domestic Product (GDP), according to World Travel and Tourism Council (WTTC) rose by 1.9% in 2014 and is expected to rise by 6.1% per annum from 2014 to 2024. In Nigeria, tourism has become one of the engines of development to the nation's economy with a contribution of 3.20% to National Gross Domestic Product (GDP) and providing 2.70% of total employment in 2013 (WTTC, 2014). Years after these statistics were released; there has been an improvement in the National Gross Domestic Product (GDP) to the extent that various state governments are investing much in tourism through the establishment of new

sites as well as in reviving and upgrading abandoned tourism sites in different locations in the country in order to boost the economy. In addition, as an essential service industry, it is more than ever attracting a large tourist trade, and boosting the country's economy by making heavy investment in modernizing facilities, including building more new structures with larger guest rooms, and as well as parking areas and swimming pools. As a result, tourism is developing at a faster rate globally and more countries are getting awareness about the need to develop tourism for economic advantages (Eruotorm, 2014).

According to the United Nations World Tourism Organization in 2006, tourism has grown in terms of destinations as there has been a widespread increase in the geographical expansion of tourism throughout the globe which has made it possible for many developing countries to develop tourism at their own pace for their economic advancement. Though tourism has been a major driver of economic growth; it is an alternative strategy for sustainability and diversification of economy for important policy of a good government. It has of recent made fast strides in the economic development of the country in agreement with the position of World Trade Organization (WTO) that tourism industry is one of the fastest growing sectors of the world economy. The tourism industry has been very dynamic and fast growing over the past three decades. This sector has so far created opportunities in areas characterized by natural attractions, wildlife and wilderness habitats. The primary purpose of promoting tourism in Nigeria is multidimensional; it ranges from earning foreign currency, ending unemployment, and also as a potent instrument for eliminating poverty, and for providing channels in which streams of different culture could meet and mingle and create a new ethic-scope on which a fair, just, humane and enlightened order could be built for the entire human race. Basically, tourism plays an extremely important role in the economic growth of most countries in the world. In other words, tourism is a catalyst for enhancing creation of employment opportunities, foreign exchange and infrastructural facilities.

5. Analysis of results

The significance of data analysis in any research study cannot be overemphasized; this is done with a view to testing the hypothesis formulated in this study as well as meeting the overall objectives of the study. To test the hypothesis, the statistical method used is the Pearson correlation coefficient analysis. The Pearson correlation coefficient analysis will help to explain the closeness of the relationship between two or more variables. The variables are said to be correlated when the movement of one variable is accompanied by the movement of another variable. The following formula is used to calculate the Pearson r correlation: $r_{xy} =$ Pearson r correlation coefficient between x and y. n = number of observations, and $x_i =$ value of x (for ith observation)

5.1 Test of hypotheses and presentation of results.

Test of hypothesis

Each of the hypotheses was postulated in statement form and translated into null form so as to subject them into statistical test using Pearson Product Moment Correlation. In this study, there are two major variables, the independent and dependent. The dependent variable was tested against the independent variables. The variables as well as the statistical analysis technique adopted to test the hypotheses were identified and presented. The 0.05 level of significance was used for the statistical testing of each of the hypotheses.

5.1.1 Hypothesis 1

Ho: Tourism potentials in Nigeria can be harnessed to diversify the country's economy

H₁: Tourism potentials in Nigeria cannot be harnessed to diversify the country's economy

The independent variable in this hypothesis is tourism potentials in Nigeria while the dependent variable is diversify the country's economy. The hypothesis is tested using Pearson Product Moment Correlation and the result of the analysis is presented below.

TABLE 5.1: Shows Pearson Correlation statistical analysis of the difference between Tourism Potentials and Diversification of the economy (N=290)

Variables	$\sum x$	$\sum x^2$	$\sum xy$	R
Tourism potentials	1044	14,436		
Diversification of the economy	692	2636	4868	0.74

Significant at .05, critical $r = .195, 4 = 318$

The result of the analysis as presented in table 4.5 shows that the calculated r-value of **0.74** is greater than the critical r-value of .195 @.05 level of significance with 318 degree of freedom. This means that the result of the analysis is statistically significant since the calculated value is higher than the critical value. With this result, the alternate hypothesis is accepted while the null hypothesis is rejected. This implies that, there is a significant difference between tourism potentials and diversification of the economy.

5.1.2 Hypothesis 2

H₁: There is significant difference between the development of tourism infrastructure and the rate of employment

H₀: There is no significant difference between the development of tourism infrastructure and the rate of employment

The independent variable in this hypothesis is development of tourism infrastructure while the dependent variable is the rate of employment. Pearson Product Moment Correlation analysis was used to test this hypothesis. The result of the analysis is presented in **Table 5.2**

Table 5.2: Shows Pearson Correlation statistical analysis of the difference between development of tourism infrastructure and the rate of employment N = 290

Variables	$\sum x$	$\sum x^2$	$\sum xy$	R
Development of tourism infrastructure	3329	56181		
Rate of employment	864	4288	1006.4	0.17

Not Significant @ .05, critical $r = .195, 4 = 318$

The result of the analysis reveals that the calculated r-value of 0.17 is greater than the critical r-value of .195 @ .05 level of significance with 318 degrees of freedom. This means that the result of the analysis is statistically significant. This leads to the acceptance of the alternate hypothesis. This result therefore means that there is a significant difference between development of tourism infrastructure and the rate of employment

Discussion of findings

From the analysis of the first hypothesis, this finding is in line with the fact that tourism is an untapped and under-invested sector that can stimulate Nigeria's socio-economic progress through job creation, export revenues from foreign tourists as well as infrastructure development. Tourism over the years has proven to be a surprisingly strong and resilient economic activity and a fundamental contributor to economic growth of nations by generating billions of dollars in exports and creating millions of jobs (Yusuff, and Akinde, 2015). Nigeria is a coastal country and the main attraction for tourists is the long beaches and the marine activities. Apart from this, the other attractions are the historical monuments, exciting trips to the tropical forests, exploring the wildlife, art and culture and the lifestyle of the country. The markets of Nigeria showcase handicrafts and sculptures, hotels and other accommodation facilities represent the warm hospitality and local customs and the calm and peaceful environment enhance the beauty of the country. These factors make the memories of Nigeria's tour everlasting (Khuoje, 2013.). Acknowledging these facts, Alsarayreh (2017) avers that the economic impact of tourism is demonstrated by the increase of tourism revenues from foreign exchange, which gives the necessary thrust for development by providing the largest amount of foreign currency spent by tourists on various touristic and non-touristic services and goods during their stay. Nigeria has enormous tourism potentials and a strategic plan to reposition the industry will generate substantial revenue from tourism. According to him, tourism plays an important role in the economies of countries and occupies a prominent place and has a global attention by governments and experts, stressing that any country that has been developing the tourism sector is in its way to economic development and to the improvement of the economic structure.

Analysis of the second hypothesis shows that there is significant difference between the development of tourism infrastructure and a reduction in the rate of employment. Concurring to this finding, Okonkwo (2014) cited in Nwagba, Chukwu, & Minini (2020) states that the tourism industry generated an estimated 199 million jobs - one in every 13 jobs worldwide. In another strand of thought, Obalade and Dubey (2014) affirm that tourism is an economic activity that promotes economic growth and a growing source of revenue to government, private sector as well as a major source of income to individuals through the creation of various employment opportunities as well as contributing to their individual welfare. Since the tourism industry is made up of production units, which engage in providing different services such as entertainment, lodging, production and distribution of goods and services to meet individual satisfaction, it is generally accepted that tourism is not only concerned with the activities in the accommodation and hospitality sector, but also transportation and entertainment sectors with visitor attractions, such as, theme parks, amusement parks, sports facilities, museums etc. (Isang, 2001). With the help of tourism, a state can create new jobs, thus helping to attract surplus labour from other sectors and also contributing to a decrease in unemployment. Aside this, tourism is, after all, an element that encourages communication, exchange of ideas, information, stimulation of cultural horizon and broadening effect on intellectualism. Therefore, one of the most important functions of tourism lies in its role as a contributor to the regeneration of work capacity of the population, both in form of recreation as well as medical spa treatments. At the same time, tourism is a means of education, culture

and civilization of the people. Therefore, tourism contributes not only in meeting the needs of the populace materially but also enhances their spiritual wellbeing. By this, we believe that tourism helps greatly to economic growth and economic development of the country. Therefore, tourism can be a catalyst for improvement of our living standards and social welfare in our country, Nigeria.

Conclusion

Since tourism has the potentials to diversify and improve the socio-economic development of Nigeria, this study has demonstrated that the diversification of Nigeria's economy through tourism development with a view to boosting socio-economic development of the country is possible going by the findings that tourism is an untapped and under-invested sector that can stimulate Nigeria's socio-economic progress through job creation, export revenues from foreign tourists as well as development of infrastructure. Besides, it is evident that the federation account, which derives funds majorly from crude oil exportation, has always failed to perform its statutory duties to the other tiers of government whenever there is any unexpected fall in the price of oil in the international market. For example, the fall in price of oil from over \$120 to \$40 as was evident between the end of 2014 and 2015 negatively affected the usual disbursement of funds to the second and third tiers of government to the extent that so many state governments were not able to pay their workers' salaries for months. As a result, the need to diversify Nigeria's economy in order to remove it from being oil dependent has seen the emergence of tourism as an alternative source of income for the growth of the economy. The volume of business activities generated by tourism globally equals or surpasses that of oil exports, and this seems to justify the reason the world economy is driven by the service sector to which tourism is a major component at the moment. In a nutshell, Nigeria has enormous tourism potentials and with a proper strategic plan to reposition the industry, tourism can become an avenue for Nigeria's rapid economic transformation thus reducing the contemporary dependence on crude oil that is non-renewable and which suffers huge losses any time there is a reduction in the price of oil in the world. In essence, all hands must be on deck to ensure the economy comes out of recession because Nigeria cannot afford to delay in diversifying the economy and developing the tourism subsector to boost the socio-economic development of the country.

Recommendations

1. Nigerian government at various tiers should develop policies and programmes to improve the performance of the tourism sector in order to create employment and by extension, increase its contribution to Gross Domestic Product (GDP). In addition, the Nigerian Tourism Development master plan, which was facilitated through a collaboration with the United Nations World Tourism Organization (UNWTO, 2005) was essentially to capitalize on the country's heritage diversity as the basis for promoting tourism thereby diversifying the economy.
2. Since Nigeria cannot develop the best tourists' sites and expect them to attract foreign tourists without putting in place the necessary ingredients that will make them blossom. Therefore, providing security for tourists must be uppermost for the industry to flourish so as to diversify the economy. In addition, strengthening all the institutions that drive tourism to the zenith must not be ignored.
3. It is very important to state that since the Federal Ministry of Culture and Tourism (FMCT) is the body responsible for formulating policy and monitoring and

maintaining linkages with other tiers of governments on all tourism matters, the body should also be charged with planning and funding nationally-oriented tourism infrastructure, and providing policies and directives to other tiers of governments to promote and disseminate information relevant to the tourism industry, as well as publishing handbooks and general guidelines for the operation of the sector without hindrances will help in no small measure to diversify the country's economy.

4. It is generally acknowledged that tourism flourishes heavily on customer demand, and can generate a heavy traffic flow to a particular destination. Going by this, governments at all tiers should endeavour to create a marketing strategy to place the country ahead of other competing destinations. Based on this premise, tourism businesses are enjoined to develop marketing strategies so as to gain substantial market share and by this means help to diversify the economy.
5. There must be close cooperation between various levels of government as well as the private sector. Nigeria must take the issue of tourism planning and implementation very seriously and urgently too because the country has enormous tourism potentials to reposition the industry. What is more, promoting the country's destinations requires a collective and collaborative effort of all the stakeholders in the drive

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