

Tourism as a Source of Economic growth: Lessons for North Central Nigeria

Theresa Onaji-Benson[♦]
Federal University Lafia

&

Anthony Akpoga[♦]
Federal University Lafia

Abstract

The emergence of African economies in the 21st century as a growing continent necessitates the development of innovative ways for identifying potential growth avenues to increase economic growth. Globally, tourism has been employed in economies like Britain and Italy to generate income. In Africa, South Africa and Kenya have employed tourism as a major source of economic growth and development. In Nigeria, little or no benefits are derived from the opportunities that nature, through tourism has provided the country. This study focuses on the impact of tourism activities on economic growth in Nigeria covering the period of 2001- 2010, with the aim of providing key learnings for the North Central region of the nation. Employing a time series regression method, the researchers find that our measure of tourism activities has a negative relationship with economic growth, we however recognize the limitation of the study as data sources were limited to only Hotel and Restaurant activities, coupled with the challenges of Nigeria's large informal economy. The study recommends that the North Central region and Nigeria needs to partner with experienced economies so as to benefit from knowledge spill overs that may accrue as absorptive capacity to the nation in managing and benefitting from its tourism industry

Keywords: Tourism, Economic growth, Nigeria, North Central region, development

Le tourisme comme source de croissance économique: leçons pour le Nord Central du Nigeria

Résumé

L'émergence des économies africaines au 21^{ème} siècle comme un continent nécessite de plus en plus le développement de moyens novateurs pour identifier des avenues de croissance potentielle pour augmenter la croissance économique. À l'échelle mondiale, le tourisme a été employé dans des économies comme la Grande-Bretagne et l'Italie pour générer des revenus. En Afrique, l'Afrique du Sud et le Kenya ont utilisé le tourisme comme une source majeure de croissance économique et le développement. Au Nigeria, peu ou pas d'avantages découlent des possibilités que la nature a fourni au pays par le tourisme. Cette étude porte sur l'impact des activités touristiques sur la croissance économique au Nigeria couvrant la période 2001- 2010, dans le but de fournir des apprentissages clés pour la région du Centre-Nord de la nation. Employant une série

[♦] Correspondence: Theresa Onaji-Benson, Department of Economics, Federal University Lafia, Nasarawa, Nigeria, Email: tidenyi@gmail.com, mobile:+2348035897869

[♦] Anthony Akpoga Federal University Lafia, Mobile: +2348038018361

de méthode série de régression de temps, les chercheurs constatent que notre mesure des activités touristiques a une relation négative avec la croissance économique, nous reconnaissons cependant la limitation de l'étude parce que des sources de données se sont été limitées aux seules activités des hôtels et restaurants, couplée aux défis de l'économie informelle du Nigeria. L'étude recommande que la région du Centre-Nord et le Nigeria ont besoin de travailler en partenariat avec les économies expérimentées afin de bénéficier d'un déversement de connaissances qui peuvent découler de la capacité d'absorption à la nation dans la gestion et profitant de son industrie touristique.

Mots-clés: tourisme, la croissance économique, le Nigeria, la région du Nord Central, le développement

Introduction

The tourism industry represents one of the world's largest industries with nearly 700 million international visitor arrivals in the year 2000. According to the United Nations World Tourism Organisation (UNWTO), tourism has become a very complex activity encompassing a wide range of relationships. Such relationships account for the global economy surges, resulting in improvements in standards of living and disposable income. The increasing effect of these on leisure time possibly creates more tourists and its contribution to the world economy is expected to grow further. The UNWTO (2006) statistics indicate that the tourism industry will continue to expand over the years with international tourist arrivals worldwide projected to reach 1.5 billion by 2020, from a total 766 million, whilst generating \$626 billion. These tourists in their turn would spend trillions of dollars in the host countries visited during their travel, resulting in great increase in economic activity.

Tourism's contribution to economic growth and development can be seen from its exports, and this according to UNWTO (2010) represents over 40% of all service exports, which puts it as the highest category of global trade. Thus, it is not surprising that tourism has become a viable export oriented economic growth strategy for the creation of employment and the reduction of poverty. In recent years, Africa has experienced a rise in tourist arrivals from 8.4 million to 10.6 million and receipts growth from \$2.3 billion to \$3.7 billion (UNWTO, 2006). The tourism industry in Africa enjoyed a robust annual market share growth rate of 10 percent in 2006. In spite of this, there are only few empirical studies that investigate the contributions of tourism to economic growth and development for African economies.

There are casual observations that opine that more travelers are currently going out of the region with less travelers coming in, an indication that the continent has not been able to adequately attract more tourists, hence a possible depletion of the foreign currency reserves of the varied countries in addition to the high levels of imports that characterizes the continent. The Nigerian tourism sector has the potential and capacity to provide significant increases in the nation's economic growth. This study is an examination of the tourism sector as a tool for economic growth in Nigeria, as a process towards reducing the country's dependence on oil as its only source of economic growth.

The Tourism concept

According to the United Nations World Tourism Organisation, tourism is defined as a service industry which comprises of components that could either be seen or touched or not. The tangible elements include transport system, air, roads, rail, water and space, hospitality services, accommodation, foods and beverages tours, souvenirs and related services such as banking, insurance, safety and security, whilst the intangible elements include rest and relaxation, culture, adventures, new and different experiences. They refer to a tourist as anyone residing in a country other than his place of residence or nationality for a purpose not related to work which s/he gets remunerated for. The motives for such travel include either leisure encompassing recreation, holidays, health, studies religion or sports or business, family, mission or meeting. The tourist due to increases in experiences and the expansion of the industry has become more knowledgeable or sophisticated, special types of tourism services have grown out of changes and pressures affecting tourism.

There are several types of tourism, one of which is the Eco-tourism. It can be viewed as the sustainable tourism for natural settings. In this way eco-tourism possesses the potentials as a guide for the development of more sustainable conventional tourism which has the potential to affect the environment. Eco-tourism has gained much attention in the recent years. Although there are several definitions of the term, there is a consensual agreement that in eco-tourism, the physical environment is the focus of the tourism activity. One of the challenges with analyzing eco-tourism is determining its size. Although, it is believed that eco-tourism is a substantial and growing activity. Eco-tourism activities typically focus on providing access to rare or spectacular natural settings (Dowling & Fennell, 2003).

Another type of tourism is the international tourism which differs from domestic tourism (UNWTO, 2006), it occurs when the traveler crosses a country's border. Not every international traveler is a visitor; however, the traveler is a visitor only if the trip takes him or her outside the environment. For example, workers who cross borders for employment are not considered as visitors. International tourism has always been strong, primarily for economic reasons, as this form of tourism plays an important role in the monetary flows among nations; developing countries have also seen sharp increases in domestic tourism (UNWTO, 2006). Tourism also plays an educative role as it provides an avenue for visitors to learn about a destinations culture and society, including such locations on the global map.

The Concept of Economic growth

Economic growth is one of the four macroeconomic goals of any society. Others include price stability, full employment and balance of payments. Economic growth can be viewed either as an increase in the output that an economy produces over a period of time. This increase in an economy's productive potential can be shown by an outward shift in the economy's production possibility frontiers. General growth is accompanied by an improvement in the economic welfare of the people of a country. Economic growth can be measured roughly by increases in the Gross National Product (GNP) per head of the population (Mai-Lafia, 2005). Todaro (1977) defined growth as the increase overtime of an economy's capacity to produce those goods and services needed to improve the wellbeing of the citizen in increasing numbers and diversity. He further stated that growth is the steady process by which the productive capacity of the economy is increased overtime to bring about rising levels of national income.

The benefits of growth to the economy are immense, including but not limited to raising the general standard of living of the populace, redistributing incomes, as poorer sectors of the economy through growth can have added avenues for increasing their employment, investment and savings. The growth of an economy also provides prestige for the nation, with added adequate revenue to defend the nation against attacks from other countries or systems. Some of the factors that determine economic growth include improved labour and capital, innovation and technological increase, International trade, to mention but a few

According to the UNWTO, tourism has become one of the most significant export sectors in many developing countries consensus has emerged that it not only increases foreign exchange income, but also creates employment opportunities. The continuous and rapid growth of tourism is not in isolation of the stable economic growth experienced in the global economy system whereby growth has facilitated the increased in global disposable income, demand for leisure, and this combined with the global economic restructures in response to globalization that ensured competition in global tourism industry and drastic reductions in travel costs (Ayeni & Ebohon, 2013). Tourism has become a major source of economic growth, employment, earnings, and foreign exchange for many countries (Basu, 2003) and considered by developing countries as a main source of development and growth for local economies (Hodur, Leistrizt, & Wolfe, 2005). Lim (1997) observes that engaging in international tourism is consumption of a luxury good rather than a normal good, as tourists must commit significant expenditure on non-necessity goods such as airfare and hotels. Yet, there is a plethora of literature on the side of revenue from international tourism stimulating economic growth, employment, and reduction of poverty rate in developing countries. This follows the rapid development of this sector above expectations, which has not only increased government export revenue geometrically but has also spurred the economic growth of both the developed and developing nations, reduced poverty rate, created employment, and generated foreign exchange earnings that further stimulated domestic consumption.

The potential of tourism development as a tool to foster economic growth and reduce poverty rate emanates from many peculiar features of the sector. In the analysis of tourism, economists (Telce & Schroenn, 2006) emphasize the economic effects of tourism development on the economy asserting that tourism is a multidisciplinary activity that involves several industries and draws upon a variety of skills, its benefits are spread over a wider section of society comparatively to other sectors of the economy

The potential effect of the tourism industry in promoting growth, creating jobs and generating revenue for the nation is expected. Ajao (2012) asserted that if Nigeria gets its tourism sector right, tourism will serve as an employer of labour besides agriculture. Dantata (2011) also asserted that, Nigeria has an abundance of resources that can be diversified enough to transform the socio- economic life of the populace. Despite the abundance of the tourism resources, Nigeria is not listed among the major destinations in Africa because of the several challenges facing this sector such as; inadequacies in standard development efforts, the lack of basic tourism infrastructure, improper implementation of tourism policies and lack of skilled personnel in the tourism sector among other problems.

Akpan and Obong (2012) asserted that, developing the natural and manmade attractions like tourism could serve as a strategy for the development of the surrounding environment as well as boosting revenue, benefitting the country as a whole, as well as the local economy. In view of this, it is vitally important that tourism is sustainably developed in Nigeria by providing all supporting and essential infrastructure that are lacking, which will collectively enhance tourism experience of potential tourists (Bankole & Odularu, 2006)

A glance at Nigeria's tourism potential

Nigeria, a country endowed with vast tourism potentials, ranging from white sands and beaches in the coastal areas to Chimpanzee-good-mornings in the games reserve area in the northern part, is a country endowed with a wealth of rich and varied human, natural and cultural resources which are great assets to the country's tourism development. However, despite the growth of international tourism and its importance in developing countries in Nigeria the tourism industry has not grown significantly (Adejuwon, 1993).

Nigeria gained independence from Britain in 1960, but it was not until 1976 when the government established the Nigeria tourism Board (NTB) that tourism was officially recognized as a potential economic activity. In 1990, the national tourism policy was finally formulated and adopted, with several tourism development programs been started by both the Federal government and various state governments. According to Waziri (2007), tourism has continued driving itself unto the radar of developing countries policy makers. The growth of tourism was been sustained at 7-12 per year in most developing countries in the last five years.

The potential for the country to harness tourism resources has been emphasised by previous research. Jafari (2001) asserted that tourism is a growing industry, and within the nation, it has attained maturity as a standalone source of revenue and development. Tourism can thus be perceived as a developing industry that needs the support of other industries to further develop and benefit the economy. It already contributes substantially to the economy of several countries as well as the global economy, and will improve if better resources are channeled in its direction. The UNWTO (2006) recognized this fact, citing the increase in tourism arrival by 3.3% annually. Frangialli (2007) avers that, one of the major importance or characteristics of tourism is the great capacity to enhance economic growth particularly creating employment for people in Nigeria (Frangialli, 2007).

Despite efforts of the government and other bodies at integrating tourism development into a major stream line of economic growth, tourism underdevelopment remains pervasive in the Nigerian perceived development plans. Nigeria has great potentials in terms of tourist attraction, as it has a healthy aggregation of nature's finest breathtaking sites, rich cultural heritage some of which includes Wild life Park, Jos, National Museum, Jos, Calabar carnivals etc., from a global perspective tourism help generates a vital amount of foreign exchange earnings that contributes to the economic growth and development of the developed nations of the world (Waziri, 2007).

Tourism in the North central-region of Nigeria

The North Central region is one of the six geopolitical regions of the Nigeria, comprising of six states; Benue, Kogi, Kwara, Nasarawa, Niger and Plateau is a region that is rich in human, natural and mineral resources. These natural resources have added to the aesthetics of the region, resulting in beautiful sights for tourism and sightseeing, together with the warmth of the people. Some of such locations include the Gurara falls in Niger and the Farin Ruwa falls in Nasarawa, whose depths have been compared to the Victoria Falls in Zambia. The Benue River and valleys and the Jos Plateau, to name a few. These opportunities in tourism, are either not adequately harnessed or detailed records are not maintained. Tables 1.1-1.6 below provide a detailed listing of tourist sites in the region.

Table 1.1: Tourist attraction sites in the North Central Region of Nigeria- Kwara

S/N	Tourist sites and Festivals	Key Description
1	Owu Waterfalls	“wonder in the wilderness”- Highest fall in West Africa
2	Awori Festival	Annually held in remembrance of the “Awo” goddess
3	Ilorin Central Mosque	Built in 1820, an architectural masterpiece
4	Dada Pottery	Biggest pottery making center in the country
5	Mungopark Cenotaph	Erected as a memoriam, situated between the Jebba twin bridges
6	Esie Museum	First museum in Nigeria, established in 1945
7	Patigi beach	Situated along the River Niger, with its sandy beaches
8	Ahoyaya falls	Described by the locals as “pleasant”
9	Tombs of Past Emirs	The death place of the leaders of the Ilorin caliphate

Source: www.cometonigeria.com

Table 1.2: Tourist Attraction sites in the North Central Region- Nasarawa

S/N	Tourist sites and festivals	Key Descriptions
1	Farin Ruwa Waterfals	“ White Water”- A spectacular fall of white water compared to Zambia’s Victoria falls, and Canada’s Niagara falls.
2	Dyeing pits and Calabash carving	Oldest dyeing pits in Nigeria.
3	Eggon Hills and Caves	Breathtaking Landscaping, famous for its adventure, mountaineering and picnics.
4	Umaisia River Bank Resort	Venue for local water sports festivals.
5	Peperuwa Lake	Home of various aquatic life.
6	Oku Apka Rock	Site for picnics and Bird watching.
7	Numan Rocks and Hills	Famous for its striking peaks and sceneries.
8	Hunki ox-bow Lake	Shaped like an ox-bow, hosts an annual water festival.
9	Keana Salt Lake	Salty lake, with a lot of Salt mining activities.
10	Akiri Salt Village	Salt mining settlement with traditional equipment.

11	Akiri warm Spring	Warm all the year round and it is said to have medicinal powers that heals varied ailments.
12	Ara Rock	Stands as a tower overlooking the Ara town, used as a source of defence.

Source: www.cometoNigeria.com

Table 1.3: Tourist Attraction Sites in the North Central Region- Niger

S/N	Tourist sites and Festivals	Key Description
1	Gurara Falls	Formed from the tributary River of the Niger.
2	Brass/Glasswork Bida	A site for glass and brass making.
3	Zuma Rock	“ The rock with a face” Used for defensive purposes, believed to have certain powers.
4	Mayaika Falls	Beautiful scenery.
5	Shiroro Dam	Picnic site
6	Bina Footprints	Believed to have been the foot prints of “Bina”, visible on the Hilltop in Bina
7	Nagwamatse Well	Formed during the Jihad by a thirsty Nagwamatse, where he struck the ground producing a well.
8	Ladi Kwali Pottery center	Pottery making and training.
9	Kainji Lake National park	Largest park in West Africa, doubles as a major source of Hydroelectric power in the country

Source: www.cometonigeria.com

Table 1.4: Tourist attraction sites in the North Central region –Plateau

S/N	Tourist sites and Festivals	Key Description
1	Shere Hills	One of the highest and most rugged peaks of the Jos Plateau. Famous for camping trips and picnics.
2	Wase Rock	A rock climbers haven, rising 250 meters above the Wase plain
3	Riyom Rock formation	Spectacular rock formations that defy gravity

4	Kurra falls	Born out of tin mining activities, and doubles as a source of power generation.
4	Assop Falls	Located on a mid-altitude ridge. Great for picnics, and camping
5	Kurrang Volcanic mountain	Highlands washed by fetching springs.
6	Jos Wildlife park	Home to wild life and also to the Terra Cotta sculptures of the Nok culture.
7	Naraguta Leatherworks	Quality production and craftsmanship in leather works. Also serves as a training school.
8	Helena farm	“ The rose merchant” Home for the farming of ornamental plants and spices for local consumption and exports

Source: www.cometonigeria.com

Table 1.5: Tourist attraction sites in the North Central region- Kogi

S/N	Tourist sites and festivals	Key Description
1	Inikpe Statue	A memoriam in remembrance of women’s fight for the freedom of her people- The Igala tribe.
2	World war Cenotaph	In memory of soldiers who lost their lives in the 2 nd world war
3	Osome falls	Thunderous falls that can be heard over a great distance.
4	Lord Lugard’s Residence and office.	The official residence and office of Lord Frederic Lugard, a major player in the history of Nigeria.
5	Mount Patti	Massive hill with a beautiful view of the River Niger-River Benue confluence.
6	Confluence of River Niger and River Benue	Where brown waters of the Niger meets green waters of the Benue
7	Iron Liberty	An important center for slave trade during its era in Nigeria
8	European cemeteries	Here lies the remains of the West African Frontier Force (WAFF)

9	Holy Trinity School	The first primary school in Northern Nigeria founded by Bishop Ajayi Crowther in 1860.
10	Awo Tunnel	The source of security and hiding for the royal family during the Idah wars

Source: www.cometonigeria.com

Table 1.6: Tourist sites in The North Central Region – Benue

S/N	Tourist sites and festivals	Key Description
1	Ikyogen Hills	Also known as a cattle ranch, as it exudes wild weather condition all through the year, producing rich vegetation for grazing.
2	Dajo pottery	Beautiful pottery making.
3	Anwase- Abande Ranges	Located on the Nigerian-Cameroon border, it features a temperate climate, dissected hills, dykes, incised valleys and fast flowing streams.
4	Rare Manatee, Katsina-Ala River	The banks of the Katsina Ala river, provides a natural environment for the rare herbivorous mammal- The Manatee.
5	Tor-Tiv Palace	Official residence of the king of the Tiv people.
6	Ushongo Hills	Beautiful scenery for camping and picnics.
7	Enemabia warm springs	Beautiful scenic springs, famous for its warm springs

Source : www.cometonigeria.com

Theory and Hypothesis

The endogenous growth theory is a new theory which explains the long-run growth rate of an economy on the basis of endogenous factors as against exogenous factors of the neoclassical growth theory. The Solow-Swan neoclassical growth model explains the long-run growth rate of output based on two exogenous variables: the rate of population growth and the rate of technological progress, and that is independent of saving rate. As the long-run growth rate depended on exogenous factors, the neoclassical theory had few policy implications. The new growth theory does not simply criticize the neoclassical growth theory; rather, it extends the latter by introducing endogenous technical progress in growth models.

The endogenous growth model, as the theoretical framework underpinning this study perceives economic growth primarily as an endogenous outcome of an economic system and not the result of forces that impact it from the outside (Romer, 1994). It holds that there is a process of increasing returns that drive growth and whereby regional resource endowments, human capital,

technology, entrepreneurship and institutionalism (including the role of leadership) play a central role in the growth of any economy (Stimson & Stough, 2011).

The endogenous growth theory (EGT) has been applied in several instances in tourism studies, predominantly associated with the economic effects of specialization in the long run. Tourism may affect economic growth through several channels. For example, foreign direct investment associated with tourism can bring management skills and technology that have spillover benefits to other sectors of the economy (Arezki, Cherif & Piotrowski, 2009), thereby driving economic growth. The purpose of analyzing the relation between tourism specialization and economic growth is to assess whether tourism can be a sustainable growth factor for the economy. In other words, the question will be whether tourism can contribute to increasing returns that are conducive to economic activity in the long run. The literature has shown ambiguous results as to whether there is a long-run relation between tourism and economic growth. Lanza and Pigliaru (1995) applied the endogenous growth model developed by Lucas (1988) to show that it is possible for a small country to specialize in tourism and still maintain a growth rate that is comparable to that of countries that allocate their resources to sectors where productivity grows faster investment required to achieve a target rate of growth in output. In practice, emphasis is on the additional capital that is required to produce an additional unit of output.

Hypothesis I

Tourism activities affect Economic growth in Nigeria

Methodology and Data analysis

The data that used in this study are sourced from the publication of Central Bank of Nigeria (CBN) statistical bulletin as well as the publication of the National Bureau of Statistics (NBS). The data covers the period from the year 2001- 2010. We apply the linear multiple regression method by applying Ordinary Least Square (OLS) technique. The reason for choosing this method is that the parameter estimates obtained by ordinary least squares have some optimal properties of being the best linear unbiased estimator (BLUE), the computation procedure of OLS is fairly simple as compared with other econometrics techniques, The techniques of OLS method are simple to understand, and the least square method has been used in a wide range of economic relationship with fairly satisfactory result (Koutsoyiannis, 1997).The analysis employs the use of E-views to help estimate the data to produce a result that makes it possible to conduct the stationarity test, correlation coefficients (R), and coefficient of determination (R^2),and in the process check for econometric problems such as multicollinearity test, autocorrelation test, heteroscedasticity test, and normality test.

The model is specified as: $GDP_t = \beta_0 + \beta_1 X_t + \beta_2 Y_t + \varepsilon_i$

Where:

GDP= Gross Domestic Product as a proxy of economic growth

β_0 = Intercept of the regression equation

β_1 = Coefficient of X_1

β_2 = Coefficient of X_2

X_1 = Hotel and Restaurant expenditures

X_2 = Foreign Direct investment
 ε_i = Stochastic variable or error term

The Gross Domestic Product (GDP) as a proxy for economic growth is the dependent variable, while the independent variables are Hotel and restaurant expenditure (HRES) as a proxy for tourism activities and Foreign Direct Investment (FDI).

Data Analysis and Results

We need to run a unit root test using Augmented Dickey-Fuller (ADF) test on the data to ensure that they are stationary at a particular point. All the variables are stationary at first difference except FDI which is stationary both at first and second difference when ADF calculated is greater than critical values at 5%. Therefore, the model for this study will be estimated at first difference and lagged to the previous year (lag 1). We test for multicollinearity using the correlation matrix through the linear collinearity among the explanatory variables used in the model (Barry and Feldman, 1985). We found that multicollinearity was not a problem since no correlation exceeds 0.80. The coefficient of determination (R^2) which measures the overall goodness of fit of the entire regression shows the value of 0.3643, from the estimated model. This indicates that only 36% of the variation in dependent variable can be explained by the independent variables, also that the regression line is not perfect (R^2 of 0.3643 is too low). The low R-square is due to relevant independent variables to the model that were unintentionally excluded in the researcher model.

Table 4: Presentation of Statistical Test:

F- statistics	R-square	Durbin Watson (DW)
1.7196	0.3643	2.4050

Table 5: Estimated regression result

Variable	Coefficient	T- Statistics (T-cal)	Critical values (t-tab at 5%)	T- prob.	Decision rule	Decision
Constant	0.0959	5.1444	2.447	0.0021	t-cal>t-tab	Significant
HRES	-0.1760	-1.1339	2.447	0.3001	t-cal<t-tab	Not significant
FDI	-0.0549	-1.5378	2.447	0.1750	t-cal<t-tab	Not significant

Source: E-views output

Table 5 above shows that the explanatory variables do not conform to our expected economic a priori. The t-test is summarized and the t-calculated is gotten from the estimated regression above in absolute value which will be compared with the t-tabulated, gotten from our statistical table. The interpretation of the above results in terms of the coefficients is stated as follows:

$$\text{GDP} = 0.0959 - 0.1760\text{HRES} - 0.0549\text{FDI}$$

Constant: The constant has a positive value of 0.0959; this implies that when the explanatory variables are held constant, the value of GDP will be 0.0959, and the constant is statistically significant at 5% level.

Hotel & Restaurant (HRES): The coefficient of Hotel and Restaurant is -0.1760 showing a negative relationship between HRES and GDP. This implies that, one percent increase in hotel and restaurant will cause GDP to decrease by 17.60 percent holding FDI constant. The HRES coefficient is not statistically significant at 5% level.

Foreign Direct Investment (FDI): The coefficient of Foreign Direct Investment is -0.0550 showing a negative relationship between FDI and GDP. This implies that, a percentage change in foreign direct investment will cause GDP to decrease by 05.5 percent holding HRES constant. The co-efficient of FDI is also not statistically significant at 5% level. The magnitude of the coefficient shows how much impact these explanatory variables have on the dependent variable. From the estimation, the Hotel and Restaurant (HRES) has impact on GDP than Foreign Direct Investment (FDI). That is $0.1760 > 0.0550$ in absolute term, therefore indicate that, the magnitude of HRES on GDP is more than that of FDI in this case. The normality test is carried out to check whether the error term follows the normal distribution. The normality test adopted is the Jacques-Bera (JB) test of normality.

The results from the regression indicate that Hotel and Restaurant have a negative significant impact on the Gross Domestic Product. Thus we can conclude by not rejecting the null hypothesis thereby stating that tourism activities in Nigerian have no significant effect on economic growth of Nigeria for the period of 2001-2010. Some of the reasons for this disparity has been ascribed to the source of data employed, and the paucity of data and its gathering methods within the context of our study.

Conclusion and Policy recommendations

This paper has attempted to establish a link between tourism and economic growth in Nigeria. It has analyzed how tourism can be used to improve the economic growth of Nigeria. Being a growing part of the economy in almost all the developing countries, it is worth knowing how new strategies will enable the country harness and understand the wealth creating power of tourism and to take more benefit from tourism activities. It intends to embolden the thin line that links tourism and economic growth and urges the government to maximize the potential of tourism for economic growth by developing appropriate strategies in cooperation with all major group and local communities in the country, especially as tourists include a broad definition of holiday makers who seek recreation plus religious pilgrims, business, visitors, sport men and women as well as students who travel for academic pleasure to destination of interest.

The forgoing has shown that Nigeria as a nation is richly endowed with a vast game reserve, a large population with rich and diverse cultural heritage, customs and festivals. This research identifies tourism as one of the sectors that possess a great capacity as an agent of growth and development. Therefore, the need for an in-depth studying of this area becomes justifiable.

Nigeria is not considered as a tourism destination as far as tourism is concerned. This is attributable to a variety of factors ranging from lack of innovation and enterprise to poor budgetary

allocation, insecurity, lack of management and maintenance, corruption, including theft and sheer mismanagement (Zana, 2010). The Nigerian nation can transform her economy through a guided investment in her potentially rebuilt tourism sector (Esu, 2013) especially now that reliance on oil revenue is facing some challenges of sustainability. The endowment of the nation with numerous potentials for improved tourism business activities, though such tourism potentials alone do not complete the entire tourism picture. Efforts by the government, individuals and businesses must be ensured to aid in the sector's development. Improved tourism activities has the capacity to improve the economy, particularly now that the Nigerian nation is more aware of its prospects and more able to address measures to bring to birth the economic success of the nation.

Nigeria, in general and the North Central region, specifically, should partner with major tourist destinations of the world such as Israel, Italy, and Australia etc. with the aim of sustaining their own tourism sector (Olorunfemi & Raheem 2008). It should be perceived as a matter of necessity to develop basic infrastructure at tourist sites, such as good roads, constant electricity, effective communication service, medical centers etc. so as to improve tourism investment, increasing the chances of returns to the region and country as a whole (Ojo, 2014). The governments at federal, regional and state levels should develop effective policies and legislations to guide the practice of tourism in Nigeria (Ajibola, 2013). The issue of over-pricing of existing tourist facilities in Nigeria should be properly addressed so as not to discourage both visiting tourists and local patronage. Efforts should be made to remove or at least bring to the barest minimum the bottlenecks associated with the tourism sector of the nation. There is need for Nigeria to harness the huge tourism potentials, through collaborative efforts between the government and the private sectors, to generate appropriate data that will enable further research

Shortcoming of the study

The study employed quantitative tools of analysis to determine if tourism activities do have effects on the economic growth of Nigeria within the period of 2001-2010. Conclusion from this data analysis and interpretation of result is that tourism activities do not contribute and play no significant role on economic growth of Nigeria. However, there were limitations as data gathered were limited to Hotels and restaurant activities, which only count for a certain percentage of tourism. Another challenge in the data collection was the challenge of a large informal economy. As such data on hotel and restaurant activities were limited to businesses recorded by the Nigerian government for tax collection purposes.

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