

TOURISM AND ECONOMIC GROWTH IN NIGERIA

M.Sc. PROPOSAL

BY

ODIONYE EZECHINYERE NIGEL

PG/MSC/16/81052

*Being a Research Project submitted to the Department of
Economics, University of Nigeria, Nsukka, in Partial Fulfillment
of the Requirements for the Award of a Master of Science
(M.Sc) Degree in Economics*

SUPERVISOR: PROF. (MRS.) IFEOMA STELLA MADUEME

JUNE, 2019

TITLE PAGE

TOURISM AND ECONOMIC GROWTH IN NIGERIA

APPROVAL PAGE

The undersigned have found this research work by Odionye, Ezechinyere Nigel to be worthy both in scope and content, and have approved it for the award of Master of Science (M.Sc) Degree in the Department of Economics, University of Nigeria, Nsukka.

PROF. (MRS.) I. S. MADUEME

Project Supervisor

DATE

PROF. (MRS.) I. S. MADUEME

Head of Department

DATE

PROF. LEO UGWU

Faculty Dean

DATE

EXTERNAL SUPERVISOR

DATE

DEDICATION

This research work is dedicated to God almighty and my loving parents Mr & Mrs Benjamin Odionye for their unending love and support.

ACKNOWLEDGEMENT

First and foremost, my greatest appreciation goes to God almighty for his goodness and mercies in my life, and for giving me the grace and elan to be where I am today.

My heartfelt gratitude will forever remain with the Odionye's. Starting from Mr. B.C Odionye (sweet dad), to Mrs. H.A Odionye (sweet mum), down to my siblings Engr. Ugochukwu, Engr. Chukwuma and Dr. Doris Nnozirim (Nee Odionye). Your prayers and support in every possible way made me who I am today. You guys are the best. And to other members of the family that I can't mention here for lack of space, you guys aren't forgotten either.

I would also like to acknowledge the efforts of my supervisor (Prof. Mrs. Ifeoma Stella Madueme) for having the patience to assist in every way possible in making this work what it is, and for giving me the opportunity to learn in the process. Thank you, Ma!

To my friends, Egbo Best, Ekeocha David-Mac, Ekwebelem Frances, Odo Obinna, Okolo Valentine and so many other of my colleagues who made this programme a 'never dulling moment', you guys are now family and will forever be in my heart. Not forgetting to mention *the backstreet boiz* (Adindu Chinonso, Madu Juakin, Nwaiwu Ugochukwu, Chukwuemeka Celestine and Eke Lawrence), thank you all for constantly checking up on me.

Finally, to my gladiators in different fields, Engr. & Mrs. Izuchukwu Nwokorie, Dr B.C Obi, Dr. Ifelunini, and a host of others whose name I couldn't mention here for want of space, you all are greatly appreciated.

Odionye, Ezechinyere Nigel

ABSTRACT

*The study examined the impact of tourism earning on economic growth in Nigeria between 1996 and 2016. The study sought to ascertain the vibrancy of tourism industry on the Nigerian economy. A model was specified in which tourism earning, inflation rate and exchange rate are expressed as a linear function of economic growth (proxy by real GDP). The study was done with systematic econometric methods such as Augmented-Dickey Fuller test, Johansen Cointegration test and the Error Correction Model. The results showed that exchange rate, real GDP and tourism earning were stationary at first-order difference while inflation rate was stationary at zero-difference. The cointegration result affirmed a long-run equilibrium relationship between the variables. The ECM result showed that the speed of adjustment from short-run equilibrium to long-run equilibrium is 15%. Tourism earning and inflation rate had positive effect on economic growth but exchange rate exerted negative effect. However, none of the variables has significant influence on economic growth in Nigeria. The study therefore maintains that although tourism earning contributed to economic growth between 1996 and 2016, its effect on economic growth is slender. The study concluded that tourism sector positively but minutely contributed to economic growth in Nigeria between 1996 and 2016. The study suggests that; **Infrastructural Development:** Infrastructures such as water, power, communication, transportation and health and safety services, should be developed and provided in a way that would minimize the ecological footprints of tourism, and to a standard, encourage local and international tourism; **Active Promotion Policies and Marketing Strategies:** Tourism should be actively promoted through appropriate policies and planning while at the same monitoring and dealing with possible negative effects of tourism on the local economy. Government should step up to play an active role in the development of tourism. This is essential because the tourism industry cannot act alone; **Data Collation on Tourism:** In most tourist destination in Nigeria, there is lack of reliable data on tourism. Such data are important in planning and allocating resources in the tourism sector; **Encouragement of Tour Training and Education:** Effective training and education should be provided in order to create professionalism in the industry towards efficiency in service delivery.*

TABLE OF CONTENTS

Title Page

Approval Page

Dedication

Acknowledgement

Abstract

Table of Contents

CHAPTER ONE: INTRODUCTION

- 1.1 Background of Study
- 1.2 Statement of Research Problem
- 1.3 Research Objectives
- 1.4 Research Questions
- 1.5 Research Hypothesis
- 1.6 Significance of Study
- 1.7 Delimitation of Study

CHAPTER TWO: LITERATURE REVIEW

- 2.1 Conceptual Framework
 - 2.1.1 Tourism
 - 2.1.2 Tourism in Nigeria
 - 2.1.3 Historical Overview of Tourism in Nigeria
 - 2.1.4 Relevance of Tourism development in Nigeria
 - 2.1.5 Tourism and Socio-Economic Development in Nigeria
 - 2.1.6 Challenges to the Development of Tourism in Nigeria

- 2.2 Theoretical Literature
 - 2.2.1 Solow Growth Theory
 - 2.2.2 Travel Cost Method Theory
 - 2.2.3 Endogenous Growth Theory
- 2.3 Empirical Studies
- 2.4 Literature Map – Empirical Findings
- 2.5 Limitation of Previous Studies

CHAPTER THREE: METHODOLOGY

- 3.1 Introduction
- 3.2 Theoretical Framework
- 3.3 Model Specification
- 3.4 Estimation Technique
- 3.5 Diagnostic Tests
- 3.6 Source of Data/Econometric Software

CHAPTER FOUR: PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

- 4.1 Introduction
- 4.2 Univariate Descriptive Statistics
- 4.3 Unit Root Test
- 4.4 Cointegration Test
- 4.5 Discussion of Findings

CHAPTER FIVE: SUMMARY, CONCLUSION AND POLICY RECOMMENDATION

- 5.1 Summary of Findings
- 5.2 Conclusion
- 5.3 Policy Recommendations

References

Appendices

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The United Nations of World Tourism Organization (UNWTO) sees tourism as event in which a person travels to a place that is outside his/her normal dwelling for a period of less than one year, for an intent of business purposes, education, recreation or leisure, health or other related reasons. In line with the World Tourism Organization, the word tourism has a broad perspective and cannot be seen in the myopic perception of a random tourist, this has to do with only those who travel for leisure (UNWTO statistics database, 2015).

Since becoming independent in 1960, Nigeria as an economy has been in dire need of sustainable growth. Over the years, the economy has witnessed phenomenal economic growth (GDP). This phenomenal growth in GDP is greeted with increasing poverty and unemployment, high infant and child mortality, low life expectancy, etc an indication that the growth in GDP and indeed the common wealth of the country has not been equitably distributed as only a few segments of the population seems to be in control or had benefited from the common wealth. It was no longer news that Nigeria largely depends on crude petroleum for its major revenue source, which accounts for over 90 percent of the nation's total foreign exchange earnings. This crude petroleum product which seems to be the bedrock of the economy at the moment is foreign determined, so the flow of revenue from oil is at the mercy of international oil politics, hence, fluctuations in both quantity and price have become the order of the day.

Nigeria is privileged to be amongst the nations of the world with so much attractions like hills, mountains, valleys and caves, spectacular vegetation (Savannah and Sahel, dense high forest). Smith (2014) is of the view that tourism's economic gains would be because of destination picture and facilities that will enhance positive words of mouth and intending revisitations by tourists. The Tourism industry is growing at a respectable rate of 7.2% in Africa per year and this number has the potential to be much higher (Munzali, 2011). According to Tunde (2012), tourism would better be appreciated through the development, packaging and promotion of tourist centers.

Expanding economic opportunities through tourism in most developing countries has been a puzzle. As noticed from the last decade, there has been an observable increase in the mental focus paid to tourism by development experts, policy makers and industry leaders especially in developing countries. The United Nations environment program promotes sustainable tourism; and not only is the United Nations World Tourism Organization (UNWTO) paying all her attention to tourism as the name suggests, but she has been created as an international endowed institution to help in tourism's contribution to development (Ashley, Caroline, Peter, Amy & Hannah, 2016)

In recent years, tourism has been a major source of income and employment in both developed and developing countries (Muralidharan, 2018). Tourism affects also the economy of both the source and host countries, in some cases being of vital importance. Tourism has become of essence in both developed and developing economies all over the world partly because of its ability of income generation, employment creation and poverty expulsion potentials; and exploring development variables associated with the intangible products (Andriotis, George & Athanasios, 2008). The strength of tourism development is obvious in solving social economic problems such as increased standard of living, poverty reduction, employment generation and income redistribution effect on an economy (Aliyu, Abdul-Kadir & Aliyu 2013).

Nigeria encountered its first set of international tourists in the 1472, when merchants from Portugal came to Nigeria in search of trade. These Portuguese merchants took up residence and became established in Nigeria after it was discovered by the Europeans. They started the slave trade business and the success of this business therefore brought about the interest of other foreign traders such as the British and other European commercialists who partook in the business. Since then, there has been an appreciable growth in the tourism industry in the country (Bola, 2010).

In 1962, the sitting Government enacted the Nigerian Tourist Association (NTA) and obligated it with the task of domestic and international tourism promotion in the country. Tourism as an economic activity came to Nigeria in the Military regimes with the decision of the Olusegun Obasanjo's determination and subsequent decree No. 54 of 1976 establishing the Nigeria Tourism Board (NTB) to tap into the natural resources of the country (Bola, 2010). The Tourism

board of Nigeria was later transformed through a decree NO. 86 of 1991 to bear the name, Nigeria's Tourism Development Corporation (NTDC) providing it with a preferred sector status. The NTDC is charged with the responsibility of all tourism related affairs in the country and thus the promotion and recommendation of the country as a domestic and international tourist destination. Tourism development suffered during the military regime and has been recovering with the rise of democracy. Through the establishment of the NTDC, the Government has repositioned tourism to take a prominent spot in the diversification of economic agenda. In 2006, organizations like United Nations Educational, Scientific and Cultural Organization (UNESCO) and UNWTO were given a mandate by the government to prepare a comprehensive National Tourism Development Plan because of the presumed fact that tourism would be a major indicator to the nation's development. The total world tourism export was US\$265 billion in 1989 and rose by almost 100% in 1998 to US\$508.9 billion, of which Nigeria's percentage was just about 0.002 and 0.015 respectively, indicating a total of US\$6million in 1989 and US\$81 million in 1998 (Abiodun, 2002).

The tourism industry as defined by Inskeep (2007) gives a precise explanation of the components of the travel and tourism industry, which is a fundamental base of this work. This is similar to WTO's (1999) definition which sees the travel industry as the composition of organization that is involved in the development, production, distribution and marketing of products and services that takes care of traveler's needs (Munzali, 2011).

Tourism has developed a large economic impact on all spheres of the society to become one of the fastest growing industries globally. It grows annually at about 5% and this number of travelers movement might nearly double by 2020 compared to 2006. Having grown at a rate of 25% in a decade (ie, from 1995 to 2005), tourism today accounts for 10% of the source of foreign exchange earnings for many developing countries (UNDP, 2005). Internationally, tourism has become a major tool of income generation for most developing nations. And its spread in most developed states has produced economic and employment benefits in many related sectors – from construction to agriculture or telecommunications (UNWTO statistics database, 2015).

The economic importance of tourism is remarkable as seen from the UNWTO—the United Nations World Tourism Organization (2010) which shows that tourism is roughly 9% of the global Gross Domestic Product (GDP) and 8% of world employment. In spite of this, measuring the economic contribution of tourism in a national economy is not an easy task. There are issues that need to be discussed statistically, that are related to the definition and the breaking down of concepts linked to both the demand and the supply side of tourism (Candela & Figini, 2012). The emphasis in the potential of tourism to improve the economies of developing countries such as Nigeria was based on existing research, evidences and not just political tendencies. This campaign became of importance in 2005 at the review meeting of Millennium Development goals at the United Nations. The discourse was that tourism has potential for driving the developing nations toward achieving the MDGS (Holden, 2008). Because of the importance and relevance of tourism, nearly every developing country is now promoting some brand of tourism tied to its development (Marafa, 2000, Yunis, 2004).

1.2 Statement of the Problem.

Diversification of the Nigerian economy has been of paramount importance to the government, hence the need to look for an area where the country can plough given its natural resources. One of these areas is the hospitality and tourism sector.

The Tourism sector as an industry in the Nigerian Economy has faced pro and counter debates on its abundant resources that can positively affect economic growth. Several of the tourist attractions in the economy are underdeveloped and the few ones that are developed encounter the problem of poor management necessary for enhancing economic growth. In 2006, the government understood the importance of tourism in the development of the economy and introduced the Tourism Development Master Plan, but its non-implementation has washed down the government's effort of diversifying the economy down the drain. Significant problems such as high level of insecurity, leading to visa restrictions from international embassies, bad current state of infrastructural facilities, also poor publicity, marketing, etc. have all led to the low performance in the Tourism sector, also affecting economic growth. These problems have created hindrances to foreign exchange earning which the country needs for sustainable growth and consequential development.

Having grown at a rate of 25% in a decade (from 1995 to 2005), tourism accounts for only 10% of the source of foreign earnings for most developing nations. In as much as tourism generates an appreciable amount of foreign exchange earnings that add to the economic growth of developed nations, such ingredient of growth hasn't been properly put to use in Africa as a whole, not to talk of developing countries like Nigeria as a subset. Also, the rise in the level of inflation, inflation which is a persistent rise in the general prices of goods and services without a corresponding increase in income level has led to the reduction of rate of development of the tourism sector, also affecting economic growth.

Irrespective of the fact that a higher percentage of global tourism is been noticed in some developed nations, developing countries are now trying to seize the opportunities which this sector offers. Nevertheless, some developing countries that know the importance of tourism to a nation's growth, and have the available natural and/or man-made resources have triggered or explored this sector thereby benefitting from its numerous advantages. It is no longer a thing to be said in the eves of the dark that most developing nations have based their economy's growth on a primary (or sole) source because of the ill-knowledge of diversification of economy or the gains of this primary source from foreign exchange. Nigeria is one of such countries that have relied so much on a particular resource (crude oil) for the growth of the economy, and this has put the country in a state where they have to borrow from international organizations to service the nations' budget in most cases, pending the sale of this primary resource of which it is no longer news that its price is dwindling on a daily basis. Nigeria is a country that is blessed with so many natural resources and thus, sole dependence on a resource is a blow on the nation's face. Tourism potentials in Nigeria is top notch given the natural and diversified landscapes scattered throughout the region, but effective utilization has left the sector in its dilapidated state.

Hence this calls for a comprehensive research into the tourism sector which has huge potentials yet untapped, which if fully supported, can greatly contribute to the diversification of the economy and also poverty eradication efforts of the government.

1.3 Research Questions.

I. What is the impact of tourism on economic growth in Nigeria?

- II. What is the impact of exchange rate fluctuations on government revenue from tourism?
- III. What is the impact of inflation on tourism earnings?

1.4 Objectives of the Study.

The broad objective of this study is to evaluate and measure the economic effect and the relationship between tourism and economic growth in Nigeria. Other specific objectives are;

- I. To determine the impact of tourism on economic growth in Nigeria.
- II. To ascertain the impact of exchange rate fluctuations on government revenue from tourism.
- III. To determine the impact of inflation on tourism earnings.

1.5 Statement of Hypothesis.

The following hypothesis is being formulated to guide the study

H₀₁: Tourism has no significant impact on economic growth in Nigeria.

H₀₂: Exchange rate fluctuations has no significant impact on government revenue from tourism.

H₀₃: Inflation has no significant impact on tourism earnings.

1.6 Significance of the Study.

This research provides insight into the necessity of tourism as a means of improving economic growth. It will contribute to knowledge by providing a framework that will raise the quality of tourism as a subset in the tertiary sector of the Nigerian economy.

Hence it would be beneficial to individuals, the academia, the government and other relevant authorities and also will add to the body of knowledge in the field of development economics which is a major branch of economics. To the individuals, this work will serve as an eye opener and a valuable store of knowledge, also encouraging citizens to partake in domestic tourism and would also give tourists insight on some available tourist centers in Nigeria. To the academia, this study will provide insight on career opportunities and spark creative thinking in relation to the tourism industry both for students and lecturers. To government and relevant authorities, it will show clearly the importance for the allocation of economic resources to make tourist attractions more appealing through the improvement and maintenance of infrastructure and the general development of local tourist attractions in the economy.

1.7 Delimitation of the Study.

The research work is a country specific study centered on Nigeria and is tertiary sector based. It will cover the effect of tourism on economic growth between the time period of 1996-2016. It estimates tourism among other economic sectors as a very important industry in the economy that will affect the social economic life of people that are faced with poverty, unemployment, low per capital income and places emphasis on the fact that growth can occur if the tourism potential resources are identified, harnessed, developed and packaged into a tourist product. For the purpose of this study indices like tourism earnings, exchange rate, inflation rate, real gross domestic product (RGDP) would be considered in the analysis. Data used for this research work would majorly be sourced from CBN statistical bulletin and publications of National Bureau of Statistics (NBS).

CHAPTER TWO

LITERATURE REVIEW

Introduction

In this chapter, a comprehensive review of various studies in the area of tourism is carried out covering the relationship between tourism development and Nigeria's economic growth. This chapter will use various approaches in reviewing the context under study. This would be done in partitions via conceptual, theoretical and empirical approach.

2.1 CONCEPTUAL FRAMEWORK

2.1.1 Tourism

Jafari (1977) defines tourism as the study of man away from his usual habitat, of the industry which responds to his needs, and impacts that both he and the industry have on the host's socio-cultural, economic and physical environment. Academicians of like minds and those of diverse views have tried to explain tourism in different ways and it would be worthy of note to say that the term is vague and could mean different things to different people. It can also be said to be a case where an individual or group of individuals goes to a place that is not their usual abode for any reason other than occupational advancement. Similarly, it is regarded to as a business where travelers are being provided with facilities and services for their pleasure (Nona, 1993).

Though, Cooper (2008) is of the view that it lacks the common focus of the academic field, but yet can be said to be intertwined into the discipline. Tourism was derived from the word 'tour' which is similar to 'journey or trip'. In a general sense, tourism refers to a situation where people move to and fro their homes or resident environment, to another location or place.

Meanwhile, there are two basic concepts in tourism - the movement to a destination and the activities that happen at that destination. The movement/journey and activities take place outside the normal resident's environment or his place of work; therefore, tourism gives rise to events that are distinct from those at place of residence or work. Tourism most times involves movements for a short while and is usually not permanent. This movement can either be locally or internationally. Tourism in terms of purpose could be for leisure and recreation i.e. holiday, sport, cultural, visiting friends and relatives. It could also be for study, health, business and

professional purposes. In Nigeria, the word tourism is not something that is on the lips of everyone, but the citizens unconsciously take part in it.

It is a recreational style that involves leaving home for some other place, whether close or distant (Olokesusi, 1989). The sum of an event and relationships arising from the travel and stay of non-residents, as far as it doesn't lead to residing there permanently and is not related to how they earn a living is regarded to as tourism (Leonard & Carson, 1997). From the definitions above, a tourist could be said to be a person who is visiting a place for a minimum of 24 hours for either business or pleasure. Tourism involves the journey and activities of foreigners in and out an area or district, provided the movement of the stranger is not connected with remunerative activities. In this vein, it is the sum total of the short period or non-permanent movement of people from their place of abode to a location that is outside their residential space or work place. Intuitively, it implies all the non-profit activities in which they participate during the period they stay outside their known dwellings.

Paul (2000) defines tourism as recreational movement requiring at least one night's stay away from home following a recreational interest. John (2012) defines tourism as the short-term temporary movement of people away from where they normally reside or earn a living. A tourist in this sense is a person who journeys from one place to another for non-occupational motives. This means that some of the major reasons why people tour includes but are not restricted to cultural, environmental, ethnical, historical, and recreational considerations.

Quite a number of academicians (Young, 1973); (Smith, 1977); (Pearce, 1989); and (Foster, 1994) for instance have greatly discussed the importance of tourism in most economies. Tourism has generated economic wealth for many countries of the world today, and is a net earner of foreign exchange that balances revenue generation. Algeria, Egypt, Gambia, Kenya, Morocco and Tanzania are amongst the African countries that are now reaping the socio-economic advantage from tourism resource development. This is in line with Robinson's opinion that tourism is a great contributor to a nation's economy in economic, socio-cultural and political ways (Robinson, 1976).

On a similar note, (David, 1995) posited that the natural resources of rural areas, which is the central focal point for visitors should be properly managed so as to prevent the problems accompanied with over usage and mismanagement.

Tourism involves movements of tourists to and staying in destinations outside their normal places of residence (Burkart and Medlik, 1981). To Mathieson and Wall (1982), it is a multi-facet phenomenon. Tourists are highly indispensable in tourism development. They are the people who travel to and stay in places that is not their usual dwelling for not more than one calendar year for leisure, trade and other reasons not related to the exercise of an activity compensated from within the region visited (Colak and Aydinoglu, 2006).

The view of (Pearce & Douglas, 1981) is that they understood tourism to be an interrelated and amalgamated industry which arises from people's movement and their temporary residency in locations outside their houses; with such industries producing economic returns in destination centers and beyond.

Modern tourism started in the western world. At present, international tourism is already important and highly significant in Africa.

According to WTO (1991) basic forms of tourism was given which includes:

1. **Domestic tourism:** is the tourism of resident visitors within the economic territory of the country of reference.
2. **Inbound tourism:** is the tourism of non-resident visitors within the economic territory of the country of reference.
3. **Internal tourism:** is the tourism of visitors, both resident and non-resident, within the economic territory of the country of reference.
4. **National tourism:** is the tourism of resident visitors, within and outside the economic territory of the country of reference.
5. **Outbound tourism:** is the tourism of resident visitors outside the economic territory of the country of reference.

Nigeria is in a kind of depressed state currently and the chance to come out of it through tourism is very high. This is because Africa hosts a variety of natural resources that are not common to every continent of the world. It has varieties of wildlife. Many of the wild animals currently cheered by the developed nations were imported from Africa. The continent also has varieties of highlands, rivers, spurs, waterfalls and landscapes. For example, rivers Congo, Niger, Nile, and Nipopo, are few out of the many. There are mountains like Kilimanjaro, Fouta Djalon and Guinea highland. Irrespective of these natural resources, most government of African countries either do not take tourism to heart and avail themselves of the opportunity it brings, or fail to

create a link between tourism and economic growth to reduce poverty situation in third world countries like Nigeria. The rate at which high-income countries dominate in international tourism is quite alarming. In 2003, more than 65% of international tourists arrived in rich nations, and of which a paltry sum of just 4% came to African countries (Jonathan & Caroline, 2006).

Cost of tourism in terms of cheaper holidays is obtainable more in Africa than in other tourist destination around the world (Mathieson and Wall, 2006). It is pertinent to note from a research conducted by the International Press Institute (IPI) and African Economic Development (AED) Nairobi, that tourists visit to Africa as far as 1983 was about seventy-five million participants with an annual tourist expenditure of about one billion USD (Falade, 2001). Nigeria, the giant of Africa has many tourism hotspots to boast of, as the country's tourism industry is still at its infancy state and lies untapped as most of its resources are still underdeveloped. Whereas those that are developed are characterized by international tourists' low patronage. The major reasons behind this low patronage is the concern over safety from hazards causing danger and disasters to tourists.

Other reasons behind the low patronage includes but are not limited to; quality of accommodation facility, price gouging at tourism destinations, attraction of tourism spots/centers, and transportation in and around the location., The non-economic determinants that make up the motivational and structural factors which influence the demand for tourism include urbanization, marketing, trade level, as well as education. Other factors are alterations in population structure as well as increase in leisure time.

The crucial factors that hinder tourism development in most third world countries include non-implementation (or poor implementation) of tourism plans, absence of defined measures to encourage participation in tourism, formulation and implementation of policy, and poor infrastructural development. Other factors are social, cultural and financial constraints as well as manpower development and motivation. Lack of understanding and little knowledge of the importance of recreational and tourism activities as well as bad management is also one of the obstacles of tourism development in developing countries (Aworitefe, 1986).

2.1.2 Tourism in Nigeria

Nigeria unlike most countries is richly blessed with a whole lot of resources, ranging from natural to cultural, but it is a sad fact that quite a number of these resources haven't been utilized.

Nigeria is a West African country that is being bordered by Cameroun from the east, the Republic of Benin in the west, Chad and Niger in the north. At the southern part of the country rests the Gulf of Guinea on the Atlantic Ocean. The potentiality of the country being a tourist destination is viable given its strategic location, population and its culturally rich heritage of about 350 ethnic groups, not forgetting the geographical attractions of tropical rainforests and waterfalls. From studies, it is seen that the country centers largely on events and sample resources. They include, recreational parks, game reserves, cultural sites, traditional festivals, and historical relics. (Ekechukwu, 1990); (Okoli 2001); (Enemou, Anozie and Otta, 2012).

Nigeria has a host of tourist sites and attractions which include rivers and lakes, waterfalls, ocean beaches ideal for swimming, unique wildlife, locally preserved traditional way of life, rich handicrafts and colorful native arts and lifestyle. Not to mention the costal and beach resorts which spans well over 600km of sandy shores from Lagos to Akwa-Ibom state. Notable national parks and game reserves are also not left out of the count (Enemou, Anozie and Otta, 2012). Standard hotels, exquisite restaurants, water recreation, air and rail services, tunnels, caves, waterfalls, and the thrilling presence of endangered wildlife are just a tip of the iceberg that the Nigerian tourism industry deem to offer to potential tourists. The following sections will give a background of some of tourist destination in South West, Nigeria.

1. Erin Ijesha Waterfall

A waterfall is a place where water flows from the top of vertical horizon in the course of a river or stream. Waterfalls also occur where a tabular iceberg or ice shelf melts and water drops over its edge. When a river is young, waterfalls are usually formed through its narrow and often deep channels (Pelekelo, 2007). Erin Ijesha Waterfall, also known as Olumirin Waterfall is a site to behold as it is one of the wonders of the world. The waterfall is situated within latitude 7030' and 8045' North and longitude 4031' and 50' East.

Erin Ijesha waterfalls which is housed by a thick forest called Erin Garden is a magnificent site that is appreciated by the people of Ondo and is situated on the eastern part of the Ijesa-Akure Road. According to the custodian of the waterfall, it is said to have been founded by the granddaughter of Oduduwa by name Akinla in the year 1140 AD, during the movement of the Ife people down to Erin Ijesha (Olaniyi, Adeyemi, Funmilayo, 2013). The evergreen vegetation at the base of the waterfall enjoys the splashes of water that falls from the top of the rock with intense magnitude. The waterfall has an attractive and picturesque scene that is blended with a

cool and refreshing breeze. The waterfall is of great significance to its indigenes as it is for both household and domestic uses, not forgetting also its medicinal purpose for the people and other tourist individuals (Olaniyi, Adeyemi, Funmilayo, 2013).

Erin Ijesha is a tropical belt region located on the south-western part of Nigeria, and has a season that alternates between warm humid and hot-dry. The atmospheric temperature ranges from thirty to thirty-four degrees Celsius (30-34°C) with an average annual rainfall of about 1500cm. Erin Ijesha Waterfall is a cascade that is engulfed in mountains and has an atmospheric feel of wildlife and serenity that nature alone cannot behold its beauty. The fall has seven levels, and at the peak of the seventh layer is a settlement filled with most of the inhabitants of Erin Ijesha who have stayed here for years (Tourism Magazine, 2009). The Erin Ijesha is also blessed with life as fresh water pawns with bright colors will be seen through the clear waters (Tourism Magazine, 2009).

The people of Erin Ijesha believe that the waterfalls flows from a big pot that is located at the top of the ridge. Most times, first time tourist at the waterfalls unconsciously starts to number the waterfalls from the last drop (the base of the ridge), because it is the first of all the falls that the visitor gets in contact with visiting; whereas the numbering is supposed to be from the top. However, going by layman's point of view, the seventh flow of the waterfalls is the first waterfall (Tourism Magazine, 2009). The first cascade flows through a small opening in a cluster of luxuriant tree trunks enclosed in dark green surroundings, down a steeply folded ten-meter rock. Dank fallen logs of wood are observed in the pool which has a channel that is out-flowing. The atmosphere of this first cascade is engulfed by the humid clouds of splashed water droplets. This view sparks the inquisitive nature of the visitor who is just coming to the fall for the first time. As one ascends the steep rocks, the refreshing ambience of the waterfall is further thickened (Tourism Magazine, 2009).

The biggest of all cascades is the second as it is characterized by a 40m high cliff with water springing out and pouring down. The huge water rush at this level is more entertaining during the rainy season as its steam channel is ever flooding. This creates a pool and perhaps a good refreshing spot for those who wants to stay in the warm waters and enjoy the sight. The movement up the rocks is demanding and wearisome as there are no constructed steps to ease mobility, except the projections on the surface of the rocks. Huge tree branches and roots serves as hand rails to adventurous tourists who wishes to journey up the fall. In spite of this, the

adventurer is being rewarded with the journey to the top by the scenic and bird's eye view of the entire surrounding area, revealing the true natural beauty of the Nigerian landmass (Tourism Magazine, 2009).

2. Ikogosi Spring Water

Ikogosi-Ekiti is a small town located in Ekiti State, the western part of Nigeria. Ikogosi is referred to as a small town because of its population size and landmass. With a geographical landmark of 7° 35'N latitude and 5° 00' E longitude, Ikogosi-Ekiti falls within about 10.5km southeast of Effon-Alaye (Ekiti state) and 27.4km east of Ilesha (Ogun state). The area encounters the two major seasons in Nigeria; rainy and dry season between April to October and November to March respectively. During the rainy seasons, the town experiences south-west trade wind in the atmosphere and at dry seasons, north-east trade wind is been noticed. The southern region of the area is being inhabited by tropical forests whereas the northern axis is occupied by savannah.

The spring resort in the town is one eye catching natural resource that the people of Ikogosi is blessed with. The warm water merges with other adjoining cold springs from nearby hills to form a confluence with a temperature of about sixty degrees (60°). The rich culture of Ikogosi people combined with their endowed natural environment pinpoints the place as a good tourist's destination (Godfrey and Clarke, 2000). The spring area covers about thirty-two (32) hectares consisting of tall evergreen trees that beautifies and protects the place from erosion and also forms a relaxation spot for tourists. Traditionally, the leaves of some of the trees are being used to cure some diseases in the human body.

At Ikogosi spring water, cold and warm springs oozes out of hills from various points, flows side by side and meet the first of such occurrence. The physical and chemical properties of the spring were discussed in relation to its geographical setting and that of the surrounding rocks Rogers (1969). The springs was selected for study because of the potency, efficacy, motivating factors, consumption and geochemist's interest, not leaving out food chemists and ecologists.

3. Awhum Waterfall

It's almost impossible to talk about the gift of nature to the eastern region without the Awhum Waterfall being mentioned. The Awhum Waterfalls is located in a small village called Amaugwe

in Awhum town of Udi Local Government Area in Enugu State. In spite of the fact that it is on the city's outskirts, about twenty-four kilometers (24km) away, this beautiful 30-meter-high waterfall and the cave are something the adventurous tourist will be awed about. Large granite rocks with water springing out the top to form a steam is what brings out the beauty in this great site.

The basic attraction of this place is not just its waterfall, but the surrounding limestone wall that stretches well over three hundred meters. The footpath at the base of this fall is surrounded by the high towered limestone wall giving way to different parts of the cave. At about a hundred meters from the cave's entrance is the first waterfall which serves as a leading point to the second and biggest cascade that lies almost at the far end of this gigantic cave. By the sides of these limestone walls are green tinges formed as a result of the forest canopies that also creates a cool environment that leaves tourists in awe. For those that are just coming into the cave from the intense heat of direct sunlight, the sight of the waterfall will lure them to want to take off their clothes and go for a cool swim.

The actual adventure starts while en-route to the site, from 9th Mile Junction along the Nsukka-Enugu expressway. In the bid to get high fare from the 'just visiting' tourists, the motorcycle riders that ply that route crack jokes and make the journey as fun as possible. It's an intriguing journey that will take you through hills and across streams and you just hope it never ends.

About 45 minutes is required to walk from the final destination of the motorcyclist to the fall, not forgetting the rigors of short plants and shrubs that are encountered along the path. This path is the link road that slopes into the terrifying valley that accommodates the cave and waterfall. It is pertinent to note also that a part of this waterfall is always warm throughout the year.

Sometimes, locals come around to fetch from the waterfall because it is believed to have curative powers and has the capability of driving away evil forces wherever it is sprinkled.

Although pictures are not allowed on site, but the scenic and ever interesting view would put you in a spot that you wouldn't know when you turn on the camera and start taking shots.

2.1.3 Historical Overview of Tourism in Nigeria

Nigeria had her first set of international tourists in 1472, when Portuguese merchants came to Nigeria in search of trade. Caravan and Trans-Saharan movements have also been recorded historically. Ever since, the tourism industry has continued to show appreciable growth in the country. The establishment of the Nigerian Tourist Association (NTA) in 1962 gave the government a headway on tourism's importance to the nation. Tourism came into Nigeria in the Military regimes with the decision of the Olusegun Obasanjo's determination and subsequent decree No. 54 of 1976 establishing the Nigeria Tourism Board (NTB) to tap into the natural resources of the country (Bola, 2010).

The Tourism board of Nigeria was later transformed through a decree NO. 86 of 1991 to bear the name, Nigeria's Tourism Development Corporation (NTDC) which gave it a preferred sector status. The NTDC is responsible for tourism in Nigeria and it promotes the country as a domestic and international tourist destination. Tourism development suffered during the military regime and has been recovering with the rise of democracy. Through the establishment of the NTDC, the Government has repositioned tourism to take a prominent post in the diversification of economic agenda. The Government captured tourism among the six top priority areas and engaged stakeholders including UNWTO and UNESCO to prepare a comprehensive National Tourism Development Master Plan (NTDMP) in 2006.

2.1.4 Relevance of Tourism Development in Nigeria

The importance of tourism in an economy cannot be over-emphasized. As seen in most developed countries, tourism has gone a long way in diversifying such economies as compared to sub-Saharan Africa that is still in the age long battle of fighting poverty. To this effect, it is no longer news that some nation's government like South Africa and the UAE are prioritizing tourism to the top of their agenda. Tourism is a vital tool and amongst the top industries of the world that would help cure the menace of poverty in third world nations (UNWTO, 2006; Nash and Smith, 1991).

International tourists spend an estimated USD280m with a total number of air visitors to Nigeria being collated to be 190,000 in 2004 (UNWTO, 2006). It was also reported that USD68m was the revenue generated from travels within the country by the staff and employees of Federal Government Department and Agencies (FGDAs), this showed an increase in the hospitality and transport sector as compared to the previous year.

Through the introduction of tourism into a sector or region, employment for both skilled and unskilled labor would plummet, not leaving out women and ethnic groups and minorities. If tourism is being managed properly, our natural environment, traditions, crafts, religious and historic monuments would be cherished. Thus, tourism is a mechanism for value protection (Okoli, 2001; UNWTO, 2006). Tourism is regarded to as the fastest growing industry in the world, and a gateway to economic stability. If properly utilized it can serve as a source of wealth creation and poverty alleviation to most third world countries (Stacey, 2016).

2.1.5 Tourism and Socio-Economic Development in Nigeria

Nigeria as a nation is gifted with resources (both natural and material) that can be brought under control and put to use in assisting the development of the nation's economy by providing revenue and foreign exchange. Tourism has played key roles in developing most nations socio-economically. This is because it basically kicks off in rural areas which is usually known for their economic, political and social backwardness. The urban centers are not left out of this development either.

It is a revealed fact that tourism is a tool of great significance to poverty alleviation, sustainable development and attainment of millennium development goals (MDSs) (Olorunfemi and Raheem, 2008 cited in Tunde, 2012). In view of the fact that tourism is ranked as one of the programmed prime point that develop a nation, its value addition to economic development has to be appreciated and properly harnessed (Da Silva, 1985; Atewologun; 1986 cited in Dalat, 2010).

In 2011, the industry (travel and tourism) contributed about N1.232 trillion which was 3.3% of Nigeria GDP at that time. In its report, the World Travel and Tourism Council (WTTC) made a prediction that the industry (travel and tourism) will generate 897,500 jobs representing 1.4 percent of Nigeria's total workforce in 2012 and in a decade, the amount is expected to grow by 7% per annum to N2.691 million by 2022. Based on this, sustainable tourism is only attainable through developing all neglected tourist sites in Nigeria. This would mean an increased contribution to Gross Domestic Product, creation of employment, improved economic and social progress within Nigeria and Africa as a whole (Tunde, 2012). The government of Nigeria and several states have understood the vast importance and advantages of tourism socio-

economically in recent times. And because of this, part of their exertion towards the diversification of the nation's economy has been to develop tourism – which is seen as the unexplored non-oil sector (Akpan and Obang, 2012).

Foreign Exchange/Earning: The tourism industry creates room for foreign earning in the Nigeria economy. This is done by attracting foreigners to Nigeria from other countries. For example, The Tinapa or Obudu Cattle ranch in Cross River State attract foreigners to the state annually for site seeing and holiday visits. Over the years, tourism has stood out to be one of the major tools for income generation and poverty alleviation in both rural and urban areas in developing countries. Engaging in tourism-related economic activities contributes immensely in the development of communities. Hence, the central aim of community development is to positively influence the standard of living of people. Locations or areas that have natural resource(s) found in their environment are in a better position to encounter development given they turn their God's given resource(s) into money making businesses – whether large or small scale (Elochukwu, 2013). Premised on the above discussion, it is seen that the Nigerian geographical space is a tourism prone zone that would not only attract local tourists, but international tourists as well provided that the resource(s) being tapped are properly developed and utilized without over usage.

2.1.6 Challenges to the Development of Tourism in Nigeria

In spite of the fact that there are lots of tourist potentials in Nigeria, many of these spots/centers are still not utilized or are even in their raw states, whereas the few that has been developed are being enjoyed by few outsiders, either very rich tourists in quest of exoticism or adventurous people in search of new challenges and experiences.

Most Nigerians (especially the rich class) prefer to go for holidays and summer breaks in European countries; visiting gardens, squares and parks whereas in their home country, they have no interest in partaking in a traditional play held in a nearby village (Onwuejeogwu, 1992).

Another major challenge to the development of tourism in our country is our negative attitude/belief to the things we own. For example, the 'NOK culture' that is seen as a beautiful piece of African art to a European man is being seen by a random Nigerian layman as a deity. This purely indicates the white man's love for our culture and our total disregard for it. The same way we see our traditional African music as a cacophony of barbarous pagan noise and our traditional dance and drama as nothing other than grotesque or desultory pagan displays

(Onwuejeogwu, 1992). Most times, the locals are often neglected and regarded as not relevant in matters related to the planning of tourism, this also results in negative attitude of the host communities towards tourism (Falade, 2001; Enemou, Anozie and Otta, 2012). Amongst other challenges too numerous to mention are inadequate facilities and infrastructure, inaccessible roads and in some parts of the country severe underdevelopment conditions and poverty, and these are what most international tourists wouldn't want to encounter during their visits (Adejuwon, 2008; Afi, 2001; Matheison and Wall, 2006; Enemou, Anozie and Otta, 2012).

Tourism development according to Okoli (2001) is the provision of infrastructure and superstructure. The infrastructure ranges from good roads, water supply, to good system of communication system while the superstructures are hotels, motels and guest houses etc. It is heart breaking to say that most of the infrastructures and superstructures are not readily available in major Nigerian potential tourist sites. Inadequate publicity and promotion by our media house and channels have also nose-dived the development of tourism in our country (Enemou, Anozie and Otta, 2012). A survey study on tour operators in Europe, United Kingdom and the U.S showed that there is less information or lack of knowledge of Nigeria as a tourist destination (UNWTO, 2006). Hence, this calls for marketing the nation's tourism sector through any means available. The potential market segments could include leisure, new experience seekers such as expatriates, conference and meetings, visiting friends and relatives as well as religion and sports hubs.

Another serious challenge facing the tourism sector is the issue of security and safety. In spite of the fact that militancy in the Niger-Delta region has reduced due to the amnesty program induced by the federal government in 2009, but subsequent attacks occurred in 2017. The Boko-Haram terrorism sect in the country also poses threat to not only those in the north and north central, but to the entire nation as a whole. Their attacks on the United Nations headquarters and police headquarters in Abuja made a lot of people tremble, and because news spread like wild fire, it is going to be an issue of great concern to potential tourists locally and most especially internationally.

According to the United Nations report of 2006, the tourism sector lacks reliable statistics and market information as the revenue value of domestic leisure is unknown. Nevertheless, the ever-growing size of the Nigerian population places high value on tourism demand from domestic travels (UNWTO, 2006). The hospitality and transport sector's revenue from most state

government are not put into book, posing a challenge to the industry. According to Ayiba (2007), tourism in Nigeria is still at its amateur stage not just because of the economic disadvantages of the nation, but because of the problems being faced by the industry, and unless these problems are addressed the tourism industry is still going to remain in its pitisome state.

2.2 THEORETICAL LITERATURE

2.2.1 Solow Growth Theory

The Solow growth model details how a steady economic growth rate will be achieved through the suited composition of the three driving forces: labor, capital and technology. The theory states that by varying amounts of labor and capital in the production function, an equilibrium state can be attained. When a new technology becomes available, the labor and capital need to be adjusted to maintain growth equilibrium. Solow growth model allowed for changes in interest and wage rates, substitution of labor and capital interchangeably, variable factor proportions, and flexible factor prices. He showed that growth need not be unstable, because as capital is being outgrown by labor force, the wage amount paid to workers will reduce relative to interest rate, and vice versa (Solow, 1956). Factor prices changes and factor substitution made less difficult to depart from the razor's edge of the Harrod-Domar growth path. Because aggregate growth implies increases in total production, we can envisage growth factors if we look at the factors adding up to production. This is done in a production function stating the relationship between the output and the various amount of inputs used in producing the required output. However, within the short to medium term, a higher investment rate will cause the level effect on income per capital to rise. The neoclassical theory focused on investment in tangible assets and the resulting accumulation of physical function, written in the 1920s by the mathematician Charles Cobb and the economist Paul Douglas, to distinguish among the sources of growth – labor quantity and quality, capital and technology.

The neoclassical model predicts that income per capital between rich and poor countries will converge. It has been a major area of concern to mathematical economists basically, to know why various countries have various growth rates thus leading to different levels of wealth achievement. This issue is especially relevant today as it was in the 1940's where development economics was born. The historical record shows a broad range of outcomes in achieving

sustained economic growth. Some nations, especially in Eastern Asia have had rapid economic growth to the extent that they are catching up with already developed nations while others, especially Sub-Saharan Africa, have attained little or no growth. The reasons for these differences remain an important theoretical and empirical task. But empirical economists cannot find values for parameters and variables that are consistent with neoclassical model and the evidence of lack of coverage. Human capital as well as physical capital can yield a stream of income over time.

2.2.2 Travel Cost Method Theory

The most common technique for measuring demand in recreation which is on tourism and hospitality is the Travel Cost Method Theory. The travel cost method theory of economic valuation, travel cost analysis, or Clawson Method is an economic method that is used in cost benefit analysis to calculate the value of something that cannot be obtained through market prices (for instance, Beaches, National Parks, and Ecosystems).

The general principle of Travel Cost Method (TCM) is that visitors (tourists) spend varying amounts of time and money to access a particular resource. The further away an individual from a resource, the more time and money they spend and the less frequent is their visit. Individuals closer to the resource tend to visit more often and spend less. By fitting the distribution of individuals within this spectrum, an average of the transport and opportunity costs of the time spent traveling to a recreational site is used to determine the value of the site. The travel cost method is a revealed preference method because it looks at actual human behavior to try to define the value people place on something and also calculate their willingness to pay for a constant price good.

The Travel Cost Method (TCM) belongs to a revealed preference approach which utilizes the interrelationship of market and non-market goods and studies people's behaviors to determine their choices, this can be done through direct method which involves the stated preference approach attempts to gauge value by asking people directly for their idea of the worth of an asset.

Christopher (2008) stated that the TCM is a non-market procedure which seeks to place a value on recreational centers by using consumption behavior in related markets. Put in plain text, the proxy for price is the costs of consuming the recreational amenity on the site. They include; entry

fees, cost of capital equipment(s), travel costs, etc. The weak complementarity between the recreational site and consumption expenditure is the major focal point of this method. Economically, when consumption expenditure falls to zero, the marginal utility of visitation is also zero, in other words, the recreational site's value is dependent on its consumption expenditure (Hanley, 1993).

It is very important to know that in the travel cost method, only one site is visited per trip. That is to say that all the costs incurred during the event of that particular trip is what is considered as the cost of consumption. If multiple sites were visited during the course of the tour, the only way travel cost method can apply to that scenario is only when a fraction of total travel cost is applied to the center under consideration (Haspel, 1982). If a trip involves visiting multiple centers, this assumption is no longer valid. This however sabotages the foundation of the travel cost procedure (Beal, 1995). The belief of the travel cost method is that demand falls as prices rise. The relationship between demand and prices dematerializes when only a portion of total costs is used.

2.2.3 The Endogenous Growth theory

Paul Romer (1986) and Robert Lucas (1988) were the key proponents of the endogenous growth theory which was developed in an attempt to address some of the observed inadequacies or deficiencies of the neoclassical growth theorists. In others words, the endogenous growth theory represents a more radical response to the short comings of the conventional neoclassical model (Arthur, 1989). The frequently observed but unexpected flow of capital from rich nations to poor nations helped provide the impetus for the concept of endogenous growth theory. The theory seeks to explain the long run growth rate of an economy on the basis of 'endogenizing' growth including factors/technology as against exogenous factors. However, the initiating analytical stimulus to endogenous growth theory is derived from the theory of technical change. Romer (1986) argued that there could be a technological spillover between producers with the results that constant returns for individual producers implied increasing returns for the economy as a whole. Significantly, Romer (1994) confesses to have gotten the inspiration for this model from a microeconomic problem (or a macro treated as a micro problem).

Lucas (1998), in his contributions, assumes that investment in education will certainly lead to production of quality human capital which is a crucial determinant in the long run growth

process. He makes a distinction between the internal effects of human capital, where the individual worker undergoes training, becomes more productive and the external effects which spillover can increase the productivity of capital and of other workers in the economy. To him, technological progress is not a function of investment decision of the firms only but the accumulation of knowledge as well. Therefore, endogenous growth theory is concerned with the sources of productivity increase. As such, it has drawn upon microeconomic theories, as in the use of resources to produce R & D, economies of scale and scope, the use of human capital as an input, or the externalities of spillover from one firm or agent to another.

From this view point, endogenous growth theory has evolved on the basis of two complementary impulses. One has been to model the sources of productivity increase in various ways. Quite apart from technological spillovers or learning by doing which arise spontaneously out of accumulation itself, productivity increase has been modelled by focusing upon the different stages in the generation and use of new knowledge.

This research however, would build on the merits of the endogenous growth theory over the other theories. Even though, other theories are very important in their own aspect, the endogenous theory looks beyond resource mobilization (ie, savings) as advocated by Rostow and Harrod-Domar, and proffers answer to the unequal trade balances existing amongst nations. That the resource endowments of a country would rather attract the inflow of capital to harness, develop, and add value to the local resource.

2.3 EMPIRICAL STUDIES

Omosho (2006) examined security threats as a challenge to tourism development in Nigeria. It is disheartening to know that there has been adverse effect of insecurity to the growth of the tourism sector of Nigeria today. The study derived its data from secondary sources and employs Merton's (1957) theory of anomie in examining tourism's contribution to development. It observed some of the tourism potentials in Nigeria and pinpoints areas that the industry has been affected by insecurity. The study recommends ways to reduce insecurity in Nigeria for a sustainable tourism development.

Awaritefe (2007) evaluated tourism resource areas in Nigeria for development. Greater emphasis was placed on some tourism areas or regions in their location, and in the types of resources they possess in tourism planning and development in countries with developed tourism. The study

examined 101 destinations considered important in Nigeria by tourists, and categorized them into various grades, employing a questionnaire survey of 634 tourists randomly selected from seven centers in Nigeria. The 101 destinations were evaluated using the standard stanine rating scheme, which showed that eight tourism regions in Nigeria, with two regions, Lagos and Yankari/Jos/Abuja emerging as primary attractive tourism regions, and four regions, the Western, Northeastern, North Central and Edo/Delta tourism regions emerging as secondary tourism regions. Destinations considered most important were mostly short distance or nearby, and associated with both cultural and natural resources, especially wildlife/games and beaches/water areas. The study concluded with implications for destination planning, development and marketing.

Ibimilua (2009) studied tourism participation level in Ekiti State, Nigeria. The broad objectives of the study are to assess the tourism potentials of the state in line with the level of patronage and the influences on the choice of attraction, as well as the constraints to tourism development. The methods of data collection include personal observations and participation; group discussions with tourists in the attractions, as well as secondary information collected from the Ekiti State Ministry of Culture and tourism. The research methods include in-depth fieldwork, participation, focus group discussions and interviews. Findings from the study revealed that the natural and man-made potentials for recreation and tourism in Ekiti State are numerous. However, the level of tourism development is very low, and thus the level of participation in domestic tourism is equally very low. To this end, the research recommends that all the stakeholders in the tourism industry should formulate and implement development master plan and policy for sustainable tourism in the state. Imikan and Ekpo (2012) studied the relationship between Infrastructure and tourism development in Rivers State, southern Nigeria. The multiplier effect of tourism development spans through all spectrum of society- social, political, cultural and economical to the extent that both nations of the developed and developing economies have adopted new paradigms of development that are tourism oriented. The purposive method of sampling was applied to ten selected tourist destinations for this study. During a cross-sectional survey, interviews were held with key informant, along with a checklist of infrastructure to collect relevant data for the study. Results indicated a high significant relationship between the sets of infrastructure components (water, accommodation, electricity, communication and transportation) and tourism development. Furthermore, transport infrastructure was found to

contribute a significant proportion to the total variance in tourism development thereby proving to be the most important element of tourism development. From findings, it was concluded that the transportation sector in the state needs to be reformed for there to be development in the tourism sector as it has a linkage to other infrastructures.

Ramukumba, Mmbengwa, Mwamayi and Groenewald (2012) looked at the socio-economic impacts of tourism on emerging tourism entrepreneurs in the George municipality. The study will contribute in increasing awareness of the socio-economic impacts of the tourism industry on emerging tourism entrepreneurs, who are mostly from the previously disadvantaged groups in South Africa. Surveys were used for collecting data within the field of tourism and hospitality. Results from the study showed that the industry's positive contribution from a socio-economic perspective to the emerging tourism entrepreneurs is a plus, even though the majority of them are earning incomes very close and lower than what is considered a living wage in South Africa from their enterprises. The entrepreneur's basic needs is being catered for through the income made through tourism, and in that way poverty is being alleviated in most scenarios. Many of these entrepreneurs who are from poor backgrounds are also able to find employment in these enterprises.

Ayeni and Ebohon (2013) critically analyzed potential tourism centers in Nigeria, focusing on its impacts on the wider economy. Face to face interview with tourists was conducted to gather more information for the improvement of the Nigerian tourism sector. The author concluded that the tourism sector has huge potentials that have not been explored, which if fully supported, can contribute squarely to poverty alleviation and diversification of the economy.

A study by Asuquo and Etefia (2014) on the socio-economic impact of tourism development in the forest community of Ikpe Oro, Urue Offong Oruko Local Government Area of Akwa Ibom State revealed that tourism has been an important tool for development in most western societies. The correlational research design was adopted. The simple random sampling technique was used in selecting three communities while the multi-stage stratified random sampling technique was used to select the one hundred and fifty (150) community members used for the study. Instruments for data collection was a fifteen item four-point Likert scale questionnaire, and after analysis of data, it was found out that the relationship between employment opportunities and improvement in infrastructural facilities in the forest community of Ikpe Oro, Urue Offong Oruko Local Government Area of Akwa Ibom State is significant.

Adebayo, Jegede and Eniafe (2014) analyzed the effects of tourism development on the economy of Ile-Ife, Osun State, Nigeria. Because of the economic implication and value addition of tourism to the economy of the Ife people, its relevance isn't undermined even amongst market men and women. Data used for this study were gotten from primary sources, which include administration of questionnaires. The questionnaires were designed in two forms: Open ended and closed ended questions. A total number of two hundred (200) copies of the questionnaires were randomly administered to respondents in Ife community. After the data was analyzed using percentages and frequency tables, its findings showed that there is a high number of foreign visitors to Ile-Ife because of their numerous tourist sites. Thus, the study recommended that there is need for improvement of tourists' attraction sites in the area, as it will be of great help to tourists, environmentalists', researchers, planners and policy makers in the tourism industry.

Ibimilua (2015) probed into the issues, trajectories and implications of rural tourism for business development in Ekiti State, Nigeria. The authors addressed the matters bordering on the benefits of rural tourism. The literature review presents a broader variety point of view on motivational factors, impacts, business development and draw backs to sustainable rural tourism. This study was carried out in Ekiti State, Nigeria. Starting with surveys to the rural tourism potentials in the state. Thenceforth, with a goal of getting hosts to different tourist attractions in the state, twelve (12) villages were selected. Using close ended format, it elicits information on socio-economic variables of the respondents as well as the determinants, benefits, challenges, and strategies of prompting rural tourism. Results from the study showed that the area is blessed with potential tourist attractions. However, rural tourism in the area is badly affected by poor finance, lack of public service awareness and lack of progress in developing the rural tourism potentials, inadequate legislation and weak judiciary on rural tourism resources management. Therefore, the study recommended adequate funding, promotion and advertisement, turn-around maintenance of tourist attractions, active local community and private sector participation and responsible use of tourism facilities.

2.4 Literature Map – Empirical Findings

Author (Year)	Sample Size	Country	Variables	Methodology	Findings
Adebayo, Jegede and Eniafe (2014)	Two hundred (200) copies of the questionnaires	Ile-Ife, Osun State, Nigeria.	tourism development and the economy	Percentages and frequency table	Numerous tourist sites in Ile-Ife led to high number of foreign visitors.
Asuquo and Etefia (2014)	One hundred and fifty (150) community members	Ikpe Oro, Urue Offong Oruko LGA, Akwa Ibom, Nigeria.	socio-economic variables and tourism development	The correlational research design was adopted; Pearson product moment correlation statistical analysis; (15) items four points Likert scale questionnaire; simple random sampling technique.	Relationship between opportunities of employment and improvement in infrastructural facilities and tourism development is significant in Ikpe oro, Urue Offong Oruko Local Government Area of Akwa Ibom State.
Awaritefe (2007)	101 destinations, 634 tourists	Nigeria	the spatial pattern and Nigeria tourists	Stanine score	Two (2) regions are primary attractive centers, and four (4) are secondary attractive tourism regions.
Ibimilua (2009)	2009	Ekiti State, Nigeria	Tourism participation level	In-depth field work using stratified random sampling, observations and focused group discussions.	Low tourism participation level due to poor publicity

Ibimilua and Ibimilua (2015)	Twelve rural settlements	Ekiti State Nigeria	Entrepreneurship, rural tourism and business development	Descriptive method of data analysis	Numerous tourist centers characterized by low patronage as a result of lack of promotion and advertisement.
Imikan and Ekpo (2012)	Ten (10) destinations	Rivers State	Infrastructure and tourism development	Purposive method of sampling and interviews with key informants.	High significant relationship between the sets of infrastructure components and tourism development. Transportation sector in the state needs to be reformed.
Omotosho (2006)	2006	Nigeria	Insecurity and tourism development	Merton's anomie theory	Tourism development is hindered by security threats in all ramifications.
Ramukumba, Mmbengwa, Mwamayi and Groenewald (2012)	Forty (40) questionnaires	South Africa	socio-economic variables	Data collection through surveys	Positive contribution from the industry to emerging tourism entrepreneurs.

2.5 LIMITATION OF PREVIOUS STUDIES

Most of the reviews of previous works informed the scope and choice of this topic. A good number of researchers like Omotosho (2006); Imikan and Ekpo (2012); Adebayo, Jegede and Eniafe (2014); Ibimibula (2015) modelled and predicted their findings on the level of participation in tourism activities and its impact on the development of the economy. The methodology used ranged from descriptive method of data analysis via frequency tables and percentages to Pearson product moment correlation, sampling techniques, focus group discussions and interviews, etc.

However, this study shall add to other works in developing countries like Nigeria by employing the least squares estimation technique using the variables of interest to give an analysis of the effect tourism as a sector has on the economy. This study will also expose the extent of the multiplier role the sector has in not only broadening the revenue base to grow the Nigerian economy, but would also reveal that part of the solution to Nigeria's perennial problem of unemployment could be sourced from tourism participation.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

A methodological review elucidates the research designs and methods used in an educational research. It pinpoints the strengths and weaknesses of methodology tools and explores the way these methods constrain or open up learning opportunities about education problems. The review focuses on new methodological approaches, revisits or modify already existing methods and discussion of quantitative and data analytic approaches (APA, 2003). It analyzes the problems confronted in the collection of data and also covers areas such as research design, data sources, population study and sample sizes, instrument of data collection and procedure, model specification.

3.2 Theoretical Framework

Theories on tourism can be difficult, sometimes confusing to understand, but with little aid from economic theories, the subject matter can be easily assimilated. The theoretical framework of this study would be hinged on endogenous growth theory. This theory holds that economic growth is primarily the result of endogenous and not external forces. That is to say, economic growth is generated from within a system as a direct result of internal processes (Romer, 1994).

Endogenous growth theory holds that the long run growth of an economy depends on policy measures. It is in this regard that tourism is viewed as a twofold channel of promoting long-term growth. It finances the imports of foreign capital, but also allows non-traded goods to be consumed by tourists. The endogenous growth model as advanced by Romer (1986) uses microeconomic analysis to treat macroeconomic problems of growth within and across countries over time. He argued that the frequently observed but unexpected flow of capital from rich nations to poor nations helped provide the much-needed stimuli for the concept of endogenous growth theory. That the drive for economic growth and development could best be understood from the viewpoint of intertemporal choices made by economic agents within a given setting. The craze to maximize utility by these agents best describe the path of growth the economy would evolve over time. In other words, the theory seeks to explain the long run growth rate of

an economy on the basis of ‘endogenizing’ growth inducing factors as against exogenous factors. This theory however, uses the general Cobb-Douglas production to drive home its position. The model takes the form;

$$Y = f(AK^a, L^b) \quad \text{given that } a + b = 1 \quad - \quad - \quad - \quad 3.1$$

where;

Y = National Output

K = stock of both physical and human capital

L = stock labour

A = implicit factor of technological change

If we take the logarithms of 3.1 and add an error term, we would have a linear function in the form

$$\ln Y = c + a \ln K + b \ln L + u \quad - \quad - \quad - \quad - \quad - \quad - \quad 3.2$$

where; $c = \ln A$, a constant and a and b are coefficients parameters which are the elasticities of capital and labour respectively (Dimitrios and Hall, 2007, Woodridge, 2009). Given that $a + b = 1$ which implies constant returns to scale, it means that if we double inputs, the output will double as well.

More specifically, ameliorations in productivity can be directly related to faster innovation and more investments in human capital. That is why endogenous growth economists advocates for government and private sector institutions to cater for innovation initiatives while offering incentives for individuals and businesses to be more creative. There are increasing returns to scale from capital investment especially in infrastructure and investment in education. Private sector investment in research and development is not left out as it is a key source of technical progress.

3.3 Model Specification

The specification of Economic Models is based on economic theories and on any valuable information relating to the phenomenon being studied. There are steps involved and they are:

1. Determination of independent and dependent variable(s)
2. The determination of the mathematical form of the model
3. Theoretical a-priori expectation about the size and signs of parameters of the functions.

(Koutsoyannis, 1997).

If a model is in its unique statistical form, allowing parameter estimates to be subsequently estimated from a sample data, that model is said to be identified. In the model specification below, the researcher intends to detect the effect of tourism on economic growth. Tourism as in this research is the independent variable while economic growth is the dependent variable. Hence the model specification was adopted from Yusuf and Akinde (2015) with slight modifications.

We specify our model in this form.

$$Y = f(x)$$

Where:

Y = Dependent Variable

f = Functional relationship

x = Independent variable(s)

Model 1: Impact of Tourism on economic growth in Nigeria

In order to capture the first objective of this study, model one is generally specified in its functional form as;

$$RGDP = f(TOE, INFR, EXR) \text{ ----- } 3.1$$

Where:RGDP = Real Gross Domestic Product

TOE = Tourism earnings

INFR = Inflation rate

EXR = Exchange rate

The econometric form of equation 3.1 can now be stated as follows;

$$RGDP_t = \beta_0 + \beta_1 TOE_t + \beta_2 INFR_t + \beta_3 EXR_t + \mu_t \text{ ----- } 3.2$$

Where; β_0 = the intercept or the constant

$\beta_1 - \beta_3$ = the slope coefficient of the independent variables

μ_t = Stochastic error term.

Model 2: Impact of exchange rate fluctuations on government revenue from tourism.

In order to capture the second and third objective of the study, model two is generally specified in its functional form as;

$$TOE = f (INFR, EXR) \text{ ----- } 3.3$$

Where; TOE = Tourism earnings

INFR = Inflation rate

EXR = Exchange rate

Deducing the functional form of equation 3.3 to its econometric form is given as;

$$TOE_t = \beta_0 + \beta_1 INFR_t + \beta_2 EXR_t + \mu_t \text{ ----- } 3.4$$

The impact of tourism on economic growth will be measured by the coefficient of the variable, after controlling for the effects of other factors. If the coefficient is positive and statistically significant, then it can be concluded that tourism enhances economic growth. If the coefficient is negative and statistically significant, then tourism reduces economic growth. But if the coefficient is statistically insignificant (regardless of the sign of the coefficient), then we conclude that tourism has no effect on economic growth.

3.4 Estimation Technique

The estimation procedure to be carried out in the study would start with the transformation of the variable to make it linear, suitable for the application of OLS which still remains BLUE. All the properties of Classical Linear Regression Model (CLRM) would be taken into consideration. The Ordinary Least Squares technique (OLS) would be employed in this study.

3.5 Diagnostic Tests

Unit Root Test: The unit root test would be conducted on each of the variables to determine the stationarity status of the time variables used in the model. Specifically, the Augmented Dickey-Fuller (ADF) and Kwiatkowski-Phillips-Schmidt-Shin (KPSS) tests would be used. The

Augmented Dickey-Fuller (ADF) is preferred to the Dickey Fuller Test as it controls for the presence of autocorrelation in the residuals by including lags of the dependent variable. If the variables are not stationary at their level forms, then their first difference would be taken.

Auto-Correlation Test: The Autocorrelation test would be carried out to determine if the residuals are correlated given the assumption of ‘no autocorrelation’ under the Ordinary Least Squares (OLS). The Durbin Watson (DW) method will be employed for this test since DW provides estimates which have properties and are more efficient for all sample size.

Normality Test: The Jacque-Bera Normality test will be used in this case. It will show whether the estimated models are normally distributed or not. The normality of the residuals is necessary so as to justify the use of the t-distribution in inference given that the t-distribution follows the normal assumption.

3.6 Source of Data/Econometric Software

In order to ensure adequacy and a comprehensive research, the sources of data which will be used for the study are secondary. Data on tourism earnings proxied by receipts from tourism, inflation rate, Real Gross Domestic Product (GDP) and exchange rate would all be sourced from World Bank development indicators. In this study, the researcher shall employ software packages such as Microsoft Excel and E-views 9 for the analysis.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter contains the presentation, analysis and interpretation of results as regard the impact of tourism on economic growth in Nigeria. The study employed the descriptive statistics, Augmented-Dickey Fuller test, Cointegration test, Ordinary Least Square technique, and the Error Correction Model. The study covered a 21-year period spanning between 1996 and 2016.

4.2 Univariate Descriptive Statistics

Table 4.1: Descriptive Statistics of Variables

	RGDP	TOUR	INF	EXR
Mean	611219.2	1263.743	12.64286	127.6202
Median	595821.6	1472.400	12.40000	129.3565
Maximum	888893.0	1951.000	29.30000	304.5000
Minimum	367218.1	599.7000	5.400000	21.88610
Std. Dev.	185522.8	489.7470	5.348511	61.48633
Skewness	0.083894	-0.232542	1.325562	0.510886
Kurtosis	1.457304	1.438636	5.516877	5.059702
Jarque-Bera Probability	2.107055 0.348705	2.322391 0.313112	11.69274 0.002890	4.625592 0.098984
Sum	12835604	26538.60	265.5000	2680.025
Sum Sq. Dev.	6.88E+11	4797043.	572.1314	75611.37
Observations	21	21	21	21

The table above showed the descriptive statistics of variables considered in the study. The mean and standard deviation of real GDP are N611, 219.2 million and N185, 522.8 million respectively. The mean and standard deviation of tourism earnings are N1, 263.743 million and N489.7470 million respectively. The mean and standard deviation of inflation rate are 12.64% and 5.34% respectively. The mean and standard deviation of exchange rate are N127.6 and N61.48 respectively. The distribution of real GDP, exchange rate and inflation rate are positively skewed while tourism earning is negatively skewed. This implies that the degree of departure of the distribution of real GDP, exchange rate and inflation from their means are positive and that

of tourism earning is negative. The Kurtosis of real GDP and tourism earning are less than three. This implies that the degree of peakedness of their distribution is not normally distributed as most of their values did not hover around their mean. On the other hand, the kurtosis of inflation rate and exchange rate exceeded three. This connotes that the degree of peakedness of their distributions are normally distributed as most of their values did not hover around their mean. In addition, the probability value of real GDP, tourism earning and exchange rate are greater than 0.05. This indicates that real GDP, tourism earning and exchange rate are not normally distributed. On the other hand, the probability value of inflation rate is less than 0.05; this indicates that inflation rate is normally distributed.

Table 4.2: Ordinary Least Square Estimate

Dependent Variable: LOG(RGDP)

Method: Least Squares

Date: 06/14/19 Time: 03:19

Sample: 1996 2016

Included observations: 21

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9.019649	0.576605	15.64269	0.0000
LOG(TOUR)	0.549283	0.107956	5.088035	0.0001
INF	0.000494	0.005994	0.082372	0.9353
LOG(EXR)	0.080214	0.067825	1.182658	0.2532
R-squared	0.829662	Mean dependent var	13.27710	
Adjusted R-squared	0.799603	S.D. dependent var	0.315018	
S.E. of regression	0.141020	Akaike info criterion	-0.910181	
Sum squared resid	0.338075	Schwarz criterion	-0.711224	
Log likelihood	13.55690	Hannan-Quinn criter.	-0.867002	
F-statistic	27.60057	Durbin-Watson stat	0.940727	
Prob(F-statistic)	0.000001			

Source: Researcher's Extraction from EVIEWS

The Ordinary Least Square technique through the multiple regression analysis was employed to empirically estimate the effect of tourism earning along with inflation and exchange rates on economic growth in Nigeria between 1996 and 2016. The regression equation of the model can be expressed as:

$$\text{Log (RGDP)} = 9.02 + 0.54 \text{ Log (TOUR)} + 0.00 \text{ INF} + 0.08 \text{ Log (EXR)} + u$$

The constant term of the regression model is 9.02. This implies that economic growth, proxied as real GDP, would grow approximately by 9.02 on the axiom that the independent variables are zero. Tourism earning, inflation and exchange rate were found to have positive impact on economic growth. A unit increase in tourism earning would increase real GDP approximately by 54.9% in isolation. Furthermore, a percent rise in inflation would approximately increase real GDP by zero percent in isolation. In addition, a unit rise in exchange rate would increase real GDP approximately by 8% in isolation. However, only tourism earning was found to have significant impact on economic growth in Nigeria between the reviewed period.

The coefficient of determination stood at 0.830. This connotes that the independent variables – tourism earning, inflation rate and exchange rate accounted for 83% variation in economic growth. The unexplained variation of 17% is attributable to exogenous factors affecting economic growth. The Durbin-Watson statistic of 0.940 indicates that presence of positive autocorrelation in the model. The F-statistic stood at 27.6, with probability value of 0.00. This indicates that the joint effect of tourism earning, inflation rate and exchange rate is statistically significant on economic growth in Nigeria between 1996 and 2016.

However, this result might be misleading as the time-series properties of the data have not been carried out. It is therefore necessary to carry out unit-root test.

4.3 Unit Root Test

Table 4.3: Augmented Dickey Fuller Test of Unit Root at Level

Series	ADF Test-Statistic	Critical Value at 5%	Probability Value	Remark
LogRGDP	-1.13	-3.33	0.68	Non-stationary
LogTOUR	-1.38	-3.02	0.67	Non-stationary
INF	-3.38	-3.03	0.03	Stationary
LogEXR	-1.95	-3.02	0.30	Non-stationary

Source: Researcher's Extraction from EVIEWS

Table 4.4: Augmented Dickey Fuller Test of Unit Root at First Difference

Series	ADF Test-Statistic	Critical Value at 5%	Probability Value	Order of Integration
LogRGDP	-3.33	-3.03	0.03	Stationary

LogTOUR	-6.18	-3.03	0.00	Stationary
LogEXR	-4.14	-3.03	0.01	Stationary

Source: Researcher's Extraction from EVIEWS

It is a well-known fact that most macroeconomic data exhibit unit-root characteristics. When a variable has unit-root, it implies that its mean and variance fluctuates overtime. The neglect of unit-root test in econometric analysis produces spurious and misleading results. The Augmented-Dickey Fuller test was utilized to test for unit roots in the variables of interest at 5% level of significance. Table 4.3 and 4.4 presented the ADF unit root result at level and first difference.

In Table 4.3, inflation rate was stationary at level as its probability value is less than 0.05. The logged value of real GDP, tourism earning and exchange rate are non-stationary at level as their probability values exceeded 0.05. These variables were re-differenced to make them stationary. In Table 4.4, the logged value of real GDP, tourism earning and exchange rate were stationary at first difference as their probability values are less than 0.05.

In sum, inflation rate is integrated at order of zero while the logged value of real GDP, tourism earning and exchange rate are integrated at order of one.

4.4 Cointegration Test

Table 4.5: Johansen Cointegration Test

Date: 06/14/19 Time: 03:07
Sample (adjusted): 1998 2016
Included observations: 19 after adjustments
Trend assumption: Linear deterministic trend
Series: LOG(RGDP) LOG(TOUR) LOG(EXR) INF
Lags interval (in first differences): 1 to 1

Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.766385	58.73079	47.85613	0.0034
At most 1 *	0.643097	31.10328	29.79707	0.0352
At most 2	0.283543	11.52777	15.49471	0.1810
At most 3 *	0.239126	5.192474	3.841466	0.0227

Trace test indicates 2 cointegrating eqn(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

**MacKinnon-Haug-Michelis (1999) p-values

Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesized No. of CE(s)	Eigenvalue	Max-Eigen Statistic	0.05 Critical Value	Prob.**
None *	0.766385	27.62751	27.58434	0.0494
At most 1	0.643097	19.57551	21.13162	0.0813
At most 2	0.283543	6.335292	14.26460	0.5706
At most 3 *	0.239126	5.192474	3.841466	0.0227

Max-eigenvalue test indicates 1 cointegrating eqn(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

**MacKinnon-Haug-Michelis (1999) p-values

Cointegration test is adopted to determine whether long-run relationship exists between economic growth and tourism earning in Nigeria. The Trace statistic and Maximum Eigenvalue statistic are considered in order to ascertain the number of cointegrating equations. The Trace statistic indicates two cointegrating equations between economic growth and tourism earning in Nigeria while the Maximum Eigenvalue statistic indicates one cointegrating equation. Since both statistics indicate at least one cointegrating equation, it can be posited that there is a long-run equilibrium relationship between economic growth, tourism earning, inflation rate and exchange rate in Nigeria.

There is possibility for the variables to digress from long-run equilibrium relationship due to shocks in the short-run. It is therefore imperative to carry out an Error Correction Model Estimate to determine the rate at which the variables would have to be adjusted to attain long-run equilibrium relationship.

Table 4.6: Error Correction Model Estimate

Dependent Variable: D(LOG(RGDP))

Method: Least Squares

Date: 06/14/19 Time: 03:34

Sample (adjusted): 1997 2016

Included observations: 20 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.039204	0.032083	1.221941	0.2406
D(LOG(TOUR))	0.034693	0.046094	0.752645	0.4633
INF	0.000151	0.002509	0.060062	0.9529
D(LOG(EXR))	-0.016623	0.029573	-0.562100	0.5824
ECM(-1)	-0.150550	0.075870	-1.984305	0.0658
R-squared	0.244758	Mean dependent var	0.040824	
Adjusted R-squared	0.043360	S.D. dependent var	0.041772	
S.E. of regression	0.040856	Akaike info criterion	-3.345210	
Sum squared resid	0.025038	Schwarz criterion	-3.096277	
Log likelihood	38.45210	Hannan-Quinn criter.	-3.296616	
F-statistic	1.215294	Durbin-Watson stat	1.958177	
Prob(F-statistic)	0.345386			

In the process of estimating the Error Correction Model, the order of integration of the variables was taken into consideration. The coefficient of the ECM, which is -0.15, is consistent with its a-priori expectation by exhibiting a negative sign. This implies that the variables – real GDP, tourism earning, inflation rate and exchange rate would have to be adjusted annually by 15% in order to maintain long-run equilibrium relationship. This equally means that the speed of adjustment from short-run equilibrium to long-run equilibrium is 15%.

The coefficient of determination (R^2) stood at 24.4 %. This implies that the inflation rate, exchange rate and tourism earning accounted for 24.4% variation in economic growth in Nigeria. The Durbin-Watson statistic, which stood at 1.95, is very close to two. This implies that the model is free from the problem of serial correlation. The F-statistic is 1.21, with probability value of 0.34, which indicates that the overall effect of the regressors on economic growth is statistically insignificant.

The coefficient of the first difference of the logged value of tourism earning is positive. This connotes that tourism earning positively impacted on economic growth in Nigeria. A percent increase in tourism earning would produce approximately a 3.4% increase in real GDP on the axiom that other regressors are constant. However, the probability value of tourism earning is higher than 0.05 indicates that tourism earning has little impact on economic growth in Nigeria between 1996 and 2016.

The coefficient of inflation rate is positive. This indicates that inflation rate exerted positive effect on economic growth in Nigeria. A percent increase in inflation rate would generate a 0.02% increase in real GDP on the premise that other regressors are fixed. However, the probability value of inflation rate is higher than 0.05 indicates that inflation rate has negligible impact on economic growth in Nigeria between 1996 and 2016.

The coefficient of the first difference of the logged value of exchange rate is negative and inconsistent with theoretical expectation. Exchange rate exerted negative impact on economic growth in Nigeria. A unit increase in the value of the naira would reduce real GDP approximately by 2% on the assumption that other independent variables are constant. However, the probability value of exchange rate is higher than 0.05 indicates that exchange rate has scanty influence on economic growth in Nigeria between 1996 and 2016.

4.5 Discussion of Findings

The study found that tourism earning had positive effect on economic growth within the investigated period but its effect is non-significant. Tourism earning has not robustly contributed to economic growth in Nigeria within the estimated period. The sub-optimal performance of tourism sector can be attributed to the poor attention the Nigerian government has given to the tourism sector. The government of Nigeria is yet to understand the benefits derivable from tourism provided adequate support is extended to the sector. Furthermore, the demand (local and foreign) for tourism in Nigeria is very low. In addition, the Nigerian tourism sector has not been privileged to attract enormous volume of investment internally and internationally. Many Nigerians still regard tourism as an unprofitable business venture and thus commit little to their resources in the sector.

In most developed and few developing nations, tourism is a major source of employment, revenue, income to tourism promoters and tourism destination and a catalyst for socio-economic development of the communities concerned through social infrastructural amenities such as power, supply, water supply, communication, transportation, motorable roads and health improvement facilities. Nigeria has huge tourism potentials; the sector needs to be supported and developed in order to get maximum benefits. Stringent efforts should be made to minimize the ecological footprints of tourism through design and specifications of materials and services.

It is evident that in mono-cultural economies like Nigeria, the policy economic focus of government is diversification. The need for economic diversification is overwhelming and this is based on the need to create employment and income on one hand and conserve foreign exchange inflows and outflows attributable to tourism sector and consequently pursuing the attainment of macroeconomic objectives such as economic growth, price stability, full employment and balance of payment equilibrium.

All sectors of the economy are instrumental in maintaining sustainable development; tourism is among the sectors that play critical role in development and also generates foreign revenues. Tourism sector is peaceful and epitomizes the nature and beauty of the country. It helps the people with other cultures promote their values, norms and traditions and also creates the opportunity to make a better image around the world.

CHAPTER FIVE

SUMMARY, CONCLUSION AND POLICY RECOMMENDATIONS

5.1 Summary of Findings

The study examined the impact of tourism earning on economic growth in Nigeria between 1996 and 2016. The study sought to ascertain the vibrancy of tourism industry on the Nigerian economy. A model was specified in which tourism earning, inflation rate and exchange rate are expressed as a linear function of economic growth (proxy by real GDP). The econometric techniques of Augmented-Dickey Fuller test, Johansen Cointegration test and the Error Correction Model. The results showed that exchange rate, real GDP and tourism earning were stationary at first-order difference while inflation rate was stationary at zero-difference. The cointegration result affirmed a long-run equilibrium relationship between the variables. The ECM result showed that the speed of adjustment from short-run equilibrium to long-run equilibrium is 15%. Tourism earning and inflation rate had positive effect on economic growth but exchange rate exerted negative effect. However, none of the variables has significant influence on economic growth in Nigeria.

The study therefore maintains that although tourism earning contributed to economic growth between 1996 and 2016, its effect on economic growth is slender.

5.2 Conclusion

The study has provided empirical evidence that tourism sector positively but minutely contributed to economic growth in Nigeria between 1996 and 2016. The country is yet to fully reap the benefits of a thriving tourism sector. Apart from revenue and employment generation, the sector is capable of alleviating poverty in countries heavily reliant on tourism, improving existing infrastructures, providing financial support for the conservation of eco-system and management of natural resources and facilitates the economic and educational growth of local people. Nigeria is indeed Africa's tourist paradise waiting to happen as she possess the desires of average tourists in abundance, good tropical weather, variety of wildlife, awesome waterfalls, historical relics, breath-taking beaches and rolling hills and warm-hearted and culturally-driven populace. Tourism can become an avenue for Nigeria's rapid economic transformation and

eliminate the attention placed on oil. At present, the world economy is service-driven to which tourism is a major component. The volume of business activities generated from tourism globally equals or surpasses that of crude oil. Unlike oil that is non-renewable and exposed to price fluctuations in the world market, tourism is renewable and sustainable. There is absolutely no reason why the Nigerian economy should experience economic recession because of oil price fluctuations, if tourism was taken up as profitable diversification option.

5.3 Policy Recommendations

Nigeria is at infant stage in tourism development and is yet to maximally enjoy the benefits of tourism. The tourism sector must be developed sustainably in order to promote economic, environmental, social and cultural sustainability of tourist areas. Stakeholders in the tourism sector must be guided by the following recommendations:

1. **Infrastructural Development:** Infrastructures such as water, power, communication, transportation and health and safety services, should be developed and provided in a way that would minimize the ecological footprints of tourism, and to a standard, encourage local and international tourism.
2. **Active Promotion Policies and Marketing Strategies:** Tourism should be actively promoted through appropriate policies and planning while at the same time monitoring and dealing with possible negative effects of tourism on the local economy. Government should step up to play an active role in the development of tourism. This is essential because the tourism industry cannot act alone.
3. **Data Collation on Tourism:** In most tourist destination in Nigeria, there is lack of reliable data on tourism. Such data are important in planning and allocating resources in the tourism sector. Tourist information should be made available on internet for users and investors.
4. **Encouragement of Tour Training and Education:** Effective training and education should be provided in order to create professionalism in the industry towards efficiency in service delivery. There is also need to embark on aggressive manpower development

required in the industry such as hotels and catering, training schools and institutions should be established.

5. Government should provide an enabling environment to support private sector participation in tourism industry. Bulk of attention should be directed to environmental aspects of tourism, i.e. eco-tourism, which consists of wildlife tourism and natural parks.
6. Inadequate security which is a major concern to tourists should be taken into consideration. With adequate security in check, potential tourist will be able to travel without fear of theft or violence. The government should put in place security agents at every point of entry in the country and also mobilize the use of community policing to help in making the country safer and friendlier for tourist and host residents.
7. Government should assist the tourism industry through partnering with host communities as a backup option for more intensive community participation in line with tourism development. Government should equally rise to its obligations by giving all necessary support to tourism to ensure rapid development. These measures would help the economy of Nigeria and the residents in general.

REFERENCES

- Abiodun, B. (2002). *The Nigerian Tourism Sector: Economic contribution, constraints and opportunities*. University of Ibadan, Nigeria.
- Adebayo, W.O., Jegede, A.O., & Eniafe, D.F. (2014). The economic impact of tourism development in Ile-Ife, Osun State, Nigeria. *Journal of tourism, hospitality and sports*, 2, 28.
- Adejuwon, F. (2008). *The travails of tourism in Africa: constraints and potentials*. Lagos: Fourth dimension.
- Adora, C.U. (2010) *Managing Tourism in Nigeria: The security option*. *Management science and engineering*. 4(1), 14-25.
- Adeleke, B. O. (2015). Motivation of tourists through marketing strategies of Olumo Rock Tourist Complex. *European journal of hospitality and tourism research*, 3(2), 39-46.
- Adeyemi, J.A. (2012). *Analysis of attractiveness of Zaria as a tourist destination*. A thesis submitted to the post graduate school, Ahmadu Bello University in partial fulfillment for The Award of MSc. (Tourism and Recreational Planning) Department of Urban and Regional Planning, Faculty of Environmental Design, Ahmadu Bello University, Zaria.
- Afi, R. (2001). *Problems of tourism development in Nigeria: A case study of presidential hotel, Port Harcourt*. Ebonyi State: Austin Publication.
- Akpan, E & Obang, C. (2012). Tourism: a strategy for Sustainable Economic Development in Cross River State, Nigeria; *Int. J. Bus. Soc. Sci.* 3(5), 124-129.
- Aliyu, B. B., Abdul-Kadir, H. D., & Aliyu, O. A. (2019). The relationship between Tourist Expectation, Perceived quality and satisfaction with Tourism Product. Retrieved on 2019-01-20 from <http://www.medwelljournals.com/abstract/?doi=ibm.158-164>
- Andriotis, K., George, A., & Athanasios, M. (2008). Measuring tourist satisfaction: A factor-cluster segmentation approach. Retrieved from <http://jvm.Sagepub.com/content/14/3/221>.
- APA. (2003). *Publication manual of the American Psychological Association*.
- Archibong, Maurice (2004). "Nigeria: Gold mine waiting to be tapped". The Sun Online. The Sun Published Ltd. Archived from the original on 2019-01-21.

- Arowosafe, F.C., & Emmanuel, A.A. (2014). Investigating indicators for tourist satisfaction at Mole National Park, Ghana. *American journal of tourism management*, 3(1A), 1-6.
- Ashley, Caroline, Peter D. B., Amy L. & Hannah W. (2016). The role of the tourism sector in expanding economic opportunity.
- Ayibe, F. (2007). Is Nigeria a preferred tourist destination. Retrieved from www.slideshare.net/is-nigeria-a-preffered-tourist-destination.
- Baggio, R. (2008). Symptoms and complexity in a tourism system. *Tourism Analysis*, 13(1), 1-20.
- Bassey, B. E. (2010). Promoting an emerging tourism destination. *Global journal of management and business research*, 10(1), 21.
- Bassey, F. O., & Egon, C. (2016) Nigerian tourism policy. A critical appraisal and re-appraisal.
- Bola, O. A. (2010). *Peace and tourism in Nigeria*. Retrieved from <http://www.responsibletravel.org/resources/documents/report/tphil>.
- British Broadcasting Corporation (2018) *Nigeria religious riots 'kill 200' in Jos* {Online} Available from: <http://news.bbc.co.uk/1/hi/world/africa/8468456.stm> {Accessed on 17-12-2018}.
- Bruner, E. (1989). "Of Cannibals, tourists, and ethnographers". *Cultural Anthropology*, 4, 439-449
- Bryden, J. (1973). *Tourism and development, a case study of the commonwealth Caribbean*. Cambridge University Press.
- Burkart., A. J. (1981). *Tourism: Past, present and future*. London: Heinemann.
- Candela, G., & Figini, P. (2012). The economics of tourism destinations.
- Cooper, G. (2008). *Tourism principles and practices*, London: Pitman.
- Cossou, E. (2019). *Lagos aims to be Africa's model megacity* {Online} Available from: <http://news.bbc.co.uk/1/hi/business/8473001.stm> {Accessed 19th January 2019}.
- David, W. (1995). *Geography: An integrated approach*. Glasglow: Nelson.
- Gavin, C. (2008). *Tourism principles and practices*. London: Pitman.
- Dharmendra, K. D. (2012). Challenges and prospects for promotion of international tourism in

- Ethiopia: A case study of Bahir Dar. *Science, technology and arts research journal*, 1(4), 95-102.
- Dimitrios, A. and Hall, S. G. (2007) *Applied econometrics A Modern Approach using Eviews and Microfit*. Revised ed. Palgrave MacMillan, New York
- Ebaji, S. (2007). Tourism development in Nigeria: The Cross River State experience. Calabar: El-sapphire Limited.
- Ekechukwu, L.C. (1990). Encouraging national development through the promotion of tourism, the place of archaeology. *West Africa j. Archeaol*, 20, 120-127.
- Elochukwu, A. (2013). Community development and tourism: A socio-economic analysis of tourism impacts in Bauchi; *J. Economic and sustainable development* 4(10), 115-123.
- Enemou, O.B., Anozie, G., & Otta., C. (2012). Tourism development a panacea to economic development in the South-Eastern Nigeria; *Int. J. Science. and Management*. 1(1), 72-76.
- Esu, B.B, & Etuk, E.J. (2007). Tourism as a development strategy in Cross River State, *J. Manage. and Enterprise Development*. 4 (1), 5-9.
- Falade O. (2001). Understanding tourism in Nigeria. Ibadan: JIS Publishers.
- Federal Republic of Nigeria (FGN). (1998). Report of the tech. committee on Tourism Promotional Zone by Fed. Min. of culture and Tourism, Abuja: Author.
- Foster, D. L. (1994). *An Introduction to Travel and Tourism*, 2nd Edition. London: McGraw-Hill.
- Francesca L, & Nugent, P. (2009). *African Cities: Competing claims on urban spaces*. Brill, 114. ISBN 978-9-0041-6264-8. Retrieved July 26, 2018.
- Hairul, B. I., Ojo K. A., Kasimu M. A., Gafar, O. Y., Okoloba, V., & Mohammed, S.A. (2013). Ikogosi Warm Water Resorts: What you don't know? *Interdisciplinary journal of contemporary research in business*, 4(9).
- Holden, A. (2008). *Environment and Tourism* (2nd edition). London: Routledge. <http://Naijaedu.wordpress.com>.
- Ibimilua, A. F., & Ibimilua, F. O. (2015). Rural Tourism in Ekiti State, Nigeria: Issues, Trajectories, Opportunities Entrepreneurship and Implications for Rural Business Development. *American journal of tourism management*, 4(1), 18-25.
- Ibimilua, A. F. (2009). Tourism Participation: Attractions, Influences and Key Trends in Ekiti State, Nigeria. *An international multi-disciplinary journal, Ethiopia*, 3(3), 244-258.

- Ifegbo, L.I. (2005). Introduction to hospitality and tourism management. Owerri: Cel-Bez and Co.
- Ikporukop, C. O. (1993). Developing Nigeria's Countryside Tourists Resources: Policy and Prospects. *Environmental and tourism in Nigeria. Lagos, Environment and Behaviour Association of Nigeria*, 263-281.
- Inskeep, P. (2007). Tourism planning: An integrated development approach. New York: V.N. Reinhold.
- Jafari, J. (1977). *Annals of tourism research*, 4.
- Johan, F., & Santana-Gallego, M. (2011). The Determinants of African Tourism. *International of tropical tourism*, 2(1), 3-5.
- John, C. (2018). "This Is Africa's New Biggest City: Lagos, Nigeria, Population 21 Million". *The Atlantic* (Washington DC). Retrieved 23 September 2018.
- Jonathan, M. & Caroline, A. (2006). *ODI Annual Report 2006 - Can tourism help reduce poverty in Africa?* London: Overseas Development Institute.
- Kareem, O. I. (2005). A Panel Data Analysis of Demand for Tourism in Africa; A Paper Presented at the 14th African Econometric Society Annual Conference held at Cape Town, South Africa.
- Laframboise, N., Mwase, N., Park, J., & Zhou, Y. (2014). Revisiting Tourism Flows to the Caribbean: What is Driving Arrivals? *International monetary fund WP/14/229*
- Lagos State Government (2010a) *FASHOLA SIGNS LAW TO STANDARDISE TOURISM, HOTEL PRACTICE IN LAGOS* {Online} Available from: <http://www.lagosstate.gov.ng/index.php?page=news&nid=570> {Accessed on 21st of September 2018}.
- Lagos State Government (2010b) *Tourism and Scene* {Online} Available from: <http://www.lagosstate.gov.ng/index.php?page=subpage&spid=15&mnu=null> {Accessed on 15th of September 2018}.
- Leonard, J. & Carson, L. (1997). An Introduction to Tourism,. Oxford: Butterwort: Heinemann.
- Lucas, R. (1988) On the Mechanics of Economic Development. *Journal of Monetary Economics* doi.org/10.12691/ijefm-2-2-1

- Malik, K. (2005). Opening remarks of launch of the 2005 global human Development. UNDP Resident Representative/UN Resident Coordinator, Beijing, China. Retrieved on November 15, 2018, from <http://undp.org.cnj.site>.
- Marafa, L.M. (2006). Achieving the millennium development goals through tourism. *Ecoclub*. Issue 19.
- Marafa, L.M. (2011). Exploring tourism potentials for employment generation and poverty alleviation in Nigeria: towards attaining the millennium development goals. Paper presented at the sensitization workshop on sustainable tourism policy, strategy and hospitality development in the implementation of the Nigeria Tourism Master Plan
- Matheison, H., & Wall, G. (2006). *Tourism, change, impact and opportunities*. England: Pearson Education Ltd.
- Munzali, A. (2011). *Tourism development in Nigeria: challenges and prospects for resource diversification*.
- Muralidharan, T. (2018, September 30). Tourism a major source of income. *Telangana Today*. Retrieved from <https://telanganatoday.com/tourism-a-major-source-of-income/amp>
- Nafziger, N. (1997) *Tourism systems* Massey University Auckland, New-Zealand. (Dept. of Mangt. Systems Occasional Paper 2.)
- Nash, D. & Smith, V.L. (1991). "Anthropology and Tourism". *Ann. Tour. Res.*, 18, 12-25
- National Bureau of Statistics (NBS), Quick National Employment General Survey, Annual Bulletin.
- Naudé, W.A., & Saayman, A. (2004). The determinants of tourist arrivals in Africa: A panel data regression analysis. A paper prepared for the International Conference, Centre for the Study of African Economies, St. Catherine's College, University of Oxford.
- Ndanusa, M. M., Yoshifunmi, H. & Aminu, I. (2014). Challenges to growth in tourism industry of a developing country: The case of Nigeria.pdf.
- Nigerian Conservation Foundation (2008) *For nature and for people: The story of Nigerian conservation foundation since 1980*. Lagos. NCF.
- Nigeria Online Tourism Magazine, 2009. Available from www.goodlife.com.
- Nona, S. (1993). *Viewpoint: Introduction to travel, tourism and hospitality*. USA: Houghton Mifflin College.

- Nowacki, M. (2013). The determinants of satisfaction of tourist attraction'' Visitors. *International journal of tourism*, 1(4), 2-3.
- Ogunberu, A. F. (2011). Socio-Economic impact of tourism development in Nigeria (Case study of tourist attractions along the coastline of Lagos) a Thesis Central Ostrobothnia University of Applied Sciences Degree Programme in Tourism.
- Okello, M.M., & Yerian, S. (2009). Tourist satisfaction in relation to attractions and implications for conservation in the protected areas of the Northern Circuit, Tanzania. *Journal of Sustainable Tourism*, 17(5), 605–625.
- Okojie, L.O, & Amujo, B. T. (2011). Socio-economic determinants of on-day site demand for recreation in old Oyo National Park, Nigeria. *Journal of Development and Agricultural Economics*, 3(6), 230-235.
- Okoli, C. (2001). Tourism development and management in Nigeria. Enugu: Jee Publication.
- Olaniyi, O. A., Adeyemi, E. O., & Funmilayo, O. A. (2013). Socio-economics impacts of Erin-Ijesha Water Fall, Erin-Ijesha, Osun State, Nigaria. *Journal of Economics and Sustainable Development*, 2-6.
- Olokesusi., F. (1989). Tourism development in Nigeria. *A cases study of Bauchi and Ogun State*.
- Olupona, J. O., & Rey, T. (2008). *Òrìṣà devotion as world religion: the globalization of Yorùbá religious culture*. University of Wisconsin Press. 132. ISBN 0-299-22460-0.
- Omisore, E.O., & Akande, C.G. (2009). Accessibility constraints of patronage of tourist sites in Ondo and Ekiti States, Nigeria. *Ethiopian journal of environmental studies and management* 2(1).
- Onwuejeogwu, M.A. (1992). *The social anthropology of Africa: An introduction*: Ibadan, Heinemann Educational Books (Nigeria) PLC.
- Oyedeji, T. A. & Bankole, A. S. (2001). Liberalization of the services sector in Nigeria: implications of unilateral and multilateral and multilateral approaches. A paper prepared for the African Economic Research consortium on Services Sector Liberalization in Nigeria.
- Paul, G. (2000). *Mastering Geography*. London: Macmillan.
- Pearce & Douglas, G. (1981). *Tourist development*, 2nd Edition. New York: Longman Inc.

- Pelekelo, L. (2007). Role of Water in the socio-economic development, its important and Links. Retrieved from google.com/aydpels.blogspot.com.
- Rajesh, R. (2013). Impact of tourist perceptions, Destination image and tourist satisfaction on destination loyalty: A conceptual model. *PASOS. Revista de turismoy patrimonio cultural*, 11(3), 67-78.
- Robinson, G. (1976). *Aspect of geographies: A geography of tourism*. London: McDonald and Evans.
- Romer, P. M (1986) Increasing Returns and Long-run Growth: *Journal of Political economics* doi.org/10.1086/261725
- Romer, P. M (1994) Idea Gaps and Object Gaps in Economic Development: *Journal of Monetary Economics* doi.org/10.1016/03043932(93)90029
- Room, A. (2007). *The pronunciation of placenames: a worldwide dictionary*. McFarland. 108. ISBN 0-7864-2941-0.
- Sandra, T. B. (1996). *Patrons and Power: Creating a political community in metropolitan Lagos*. Indiana University Press, International African Library. 20. ISBN 978-0-2533-4297-3. Retrieved January 24, 2019.
- Scholtz, M., Kruger, M. & Saayman, M. (2013). 'Understanding the reasons why tourists visit the Kruger National Park during a recession', *Acta Commercii* 13(1), Art. #168, 9 pages. <http://dx.doi.org/10.4102/ac.v13i1.168>.
- Smith, R. S. (1988). *Kingdoms of the Yoruba* (3rd ed.). University of Wisconsin Press. 73. ISBN 0-299-11604-2.
- Smith, V. L. (2014). *Hosts and Guests: The anthropology of tourism*. USA: University of Pennsylvania Press.
- Stacey, A. (2016). Anthropology of Tourism: Forging new ground for ecotourism and other alternatives. *Annu. Rev. Anthropol.* 30,261-83.
- Tunde, M. (2012). Harnessing tourism potentials for sustainable development: A case of Owu Water Falls in Nigeria; *J. Sustain. Dev. Afr.* 14.
- Uemura, C. (2005). Determinants of competitiveness in the tourism industry. *Japan Center for Economic Research*. Researcher Report No. 51.
- Ukapanah, J.S. (1991). *Promoting and developing tourism in Nigeria*. Abuja: Federal Ministry of Trade and Tourism.

- United Nations Data (2009) *Country profiles: Nigeria* {Online} Available from: <http://data.un.org/CountryProfile.aspx?crName=Nigeria> {Accessed 30th of November 2018}.
- UNWTO (2015). Methodology notes to the tourism statistics database.
- UNWTO (2006). “Nigeria tourism development masterplan: Institutional capacity strengthening to the tourism sector in Nigeria” Tourism Development International.
- Vroom, E.V.H. (1964) *Work and Motivation*. New York: John Wiley.
- Wearne, N. (2001). Hospitality marketing, New Delhi: Global books and subscription services.
- Wight, P. (1997). “Sustainability, profitability and ecotourism markets: What are there and do they relate”, A paper presented at an International Conference in Central and Eastern Europe and Beltic Sea Region (22nd-23rd September).
- Williams, L. (2008). *Nigeria: The Bradt Travel Guide*. Bradt Travel Guides. 110. ISBN 1-84162-239-7.
- World Bank (2002). Millennium development goals: Eradicate extreme poverty and hunger. Retrieved on September 20, 2018 from <http://www.developmentgoals.org/poverty/htm>.
- Yiamjanya, S., & Wongleedee, K. (2014). International tourists’ Travel motivation by push-pull factors and the decision making for selecting Thailand as destination choice. *International Journal of Social, Behavioral, Educational, Economic and Management Engineering*, 8(5).
- Young, G. (1973). *Tourism: Blessing or Blight*. Australia: Pegium Books.
- Yunis, E. (2004). Sustainable tourism and poverty Alleviation. Paper presented at the World Bank ABCDE Conference-Europe. Brussels. 10 May, 2004.
- Yusuf, M. A., & Akinde, M. A. (2015). Tourism development and economic growth nexus: Nigeria’s Experience. *European journal of hospitality and tourism research*, 3(4), 1–10.

APPENDIX

LOG(RGDP) AT LEVEL

Exogenous: Constant

Lag Length: 0 (Automatic - based on SIC, maxlag=4)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-1.130965	0.6821
Test critical values: 1% level	-3.808546	
5% level	-3.020686	
10% level	-2.650413	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(LOG(RGDP))

Method: Least Squares

Date: 06/14/19 Time: 03:19

Sample (adjusted): 1997 2016

Included observations: 20 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LOG(RGDP(-1))	-0.034445	0.030457	-1.130965	0.2729
C	0.497550	0.403943	1.231731	0.2339
R-squared	0.066346	Mean dependent var		0.040824
Adjusted R-squared	0.014476	S.D. dependent var		0.041772
S.E. of regression	0.041468	Akaike info criterion		-3.433143
Sum squared resid	0.030953	Schwarz criterion		-3.333569
Log likelihood	36.33143	Hannan-Quinn criter.		-3.413705
F-statistic	1.279082	Durbin-Watson stat		1.651991
Prob(F-statistic)	0.272914			

LOG(RDP) AT FIRST DIFFERENCE

Null Hypothesis: D(LOG(RGDP)) has a unit root

Exogenous: Constant

Lag Length: 0 (Automatic - based on SIC, maxlag=4)

	t-Statistic	Prob.*
--	-------------	--------

Augmented Dickey-Fuller test statistic	-3.327661	0.0279
Test critical values: 1% level	-3.831511	
5% level	-3.029970	
10% level	-2.655194	

*MacKinnon (1996) one-sided p-values.

Warning: Probabilities and critical values calculated for 20 observations and may not be accurate for a sample size of 19

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(LOG(RGDP),2)

Method: Least Squares

Date: 06/14/19 Time: 03:20

Sample (adjusted): 1998 2016

Included observations: 19 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(LOG(RGDP(-1)))	-0.820938	0.246701	-3.327661	0.0040
C	0.033730	0.014590	2.311793	0.0336
R-squared	0.394443	Mean dependent var	-0.001770	
Adjusted R-squared	0.358822	S.D. dependent var	0.054183	
S.E. of regression	0.043387	Akaike info criterion	-3.338035	
Sum squared resid	0.032001	Schwarz criterion	-3.238620	
Log likelihood	33.71133	Hannan-Quinn criter.	-3.321210	
F-statistic	11.07333	Durbin-Watson stat	2.035485	
Prob(F-statistic)	0.003985			

LOG(TOUR) AT LEVEL

Null Hypothesis: LOG(TOUR) has a unit root

Exogenous: Constant

Lag Length: 0 (Automatic - based on SIC, maxlag=4)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-1.379110	0.5714
Test critical values: 1% level	-3.808546	
5% level	-3.020686	
10% level	-2.650413	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation
 Dependent Variable: D(LOG(TOUR))
 Method: Least Squares
 Date: 06/14/19 Time: 03:20
 Sample (adjusted): 1997 2016
 Included observations: 20 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LOG(TOUR(-1))	-0.153014	0.110951	-1.379110	0.1848
C	1.132770	0.781754	1.449011	0.1645
R-squared	0.095566	Mean dependent var	0.056633	
Adjusted R-squared	0.045319	S.D. dependent var	0.217138	
S.E. of regression	0.212161	Akaike info criterion	-0.168304	
Sum squared resid	0.810220	Schwarz criterion	-0.068731	
Log likelihood	3.683042	Hannan-Quinn criter.	-0.148866	
F-statistic	1.901944	Durbin-Watson stat	2.617056	
Prob(F-statistic)	0.184757			

LOG(TOUR) AT FIRST DIFFERENCE

Null Hypothesis: D(LOG(TOUR)) has a unit root
 Exogenous: Constant
 Lag Length: 0 (Automatic - based on SIC, maxlag=4)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-6.175724	0.0001
Test critical values: 1% level	-3.831511	
5% level	-3.029970	
10% level	-2.655194	

*MacKinnon (1996) one-sided p-values.

Warning: Probabilities and critical values calculated for 20 observations and may not be accurate for a sample size of 19

Augmented Dickey-Fuller Test Equation
 Dependent Variable: D(LOG(TOUR),2)
 Method: Least Squares
 Date: 06/14/19 Time: 03:21
 Sample (adjusted): 1998 2016

Included observations: 19 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(LOG(TOUR(-1)))	-1.383098	0.223957	-6.175724	0.0000
C	0.080070	0.050297	1.591951	0.1298
R-squared	0.691691	Mean dependent var		0.000596
Adjusted R-squared	0.673556	S.D. dependent var		0.370946
S.E. of regression	0.211941	Akaike info criterion		-0.165717
Sum squared resid	0.763623	Schwarz criterion		-0.066302
Log likelihood	3.574310	Hannan-Quinn criter.		-0.148892
F-statistic	38.13956	Durbin-Watson stat		2.094137
Prob(F-statistic)	0.000010			

INF AT LEVEL

Null Hypothesis: INF has a unit root

Exogenous: Constant

Lag Length: 1 (Automatic - based on SIC, maxlag=4)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-3.379997	0.0252
Test critical values: 1% level	-3.831511	
5% level	-3.029970	
10% level	-2.655194	

*MacKinnon (1996) one-sided p-values.

Warning: Probabilities and critical values calculated for 20 observations and may not be accurate for a sample size of 19

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(INF)

Method: Least Squares

Date: 06/14/19 Time: 03:21

Sample (adjusted): 1998 2016

Included observations: 19 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
INF(-1)	-0.968149	0.286435	-3.379997	0.0038
D(INF(-1))	0.179925	0.165401	1.087812	0.2928
C	11.80680	3.539019	3.336180	0.0042

R-squared	0.435180	Mean dependent var	0.378947
Adjusted R-squared	0.364577	S.D. dependent var	4.862279
S.E. of regression	3.875889	Akaike info criterion	5.691366
Sum squared resid	240.3602	Schwarz criterion	5.840488
Log likelihood	-51.06798	Hannan-Quinn criter.	5.716604
F-statistic	6.163795	Durbin-Watson stat	2.003900
Prob(F-statistic)	0.010358		

LOG(EXR) AT LEVEL

Null Hypothesis: LOG(EXR) has a unit root

Exogenous: Constant

Lag Length: 0 (Automatic - based on SIC, maxlag=4)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-1.954252	0.3028
Test critical values: 1% level	-3.808546	
5% level	-3.020686	
10% level	-2.650413	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(LOG(EXR))

Method: Least Squares

Date: 06/14/19 Time: 03:22

Sample (adjusted): 1997 2016

Included observations: 20 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LOG(EXR(-1))	-0.202034	0.103382	-1.954252	0.0664
C	1.066006	0.483059	2.206781	0.0406

R-squared	0.175035	Mean dependent var	0.131641
Adjusted R-squared	0.129203	S.D. dependent var	0.330242
S.E. of regression	0.308170	Akaike info criterion	0.578310
Sum squared resid	1.709439	Schwarz criterion	0.677883
Log likelihood	-3.783100	Hannan-Quinn criter.	0.597748
F-statistic	3.819100	Durbin-Watson stat	2.005991
Prob(F-statistic)	0.066388		

LOG(EXR) AT FIRST DIFFERENCE

Null Hypothesis: D(LOG(EXR)) has a unit root

Exogenous: Constant

Lag Length: 0 (Automatic - based on SIC, maxlag=4)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-4.139164	0.0053
Test critical values: 1% level	-3.831511	
5% level	-3.029970	
10% level	-2.655194	

*MacKinnon (1996) one-sided p-values.

Warning: Probabilities and critical values calculated for 20 observations and may not be accurate for a sample size of 19

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(LOG(EXR),2)

Method: Least Squares

Date: 06/14/19 Time: 03:23

Sample (adjusted): 1998 2016

Included observations: 19 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(LOG(EXR(-1)))	-1.026666	0.248037	-4.139164	0.0007
C	0.141627	0.084636	1.673369	0.1126
R-squared	0.501944	Mean dependent var		0.023917
Adjusted R-squared	0.472646	S.D. dependent var		0.478482
S.E. of regression	0.347470	Akaike info criterion		0.823022
Sum squared resid	2.052498	Schwarz criterion		0.922436
Log likelihood	-5.818707	Hannan-Quinn criter.		0.839847
F-statistic	17.13268	Durbin-Watson stat		1.963809
Prob(F-statistic)	0.000686			

JOHANSEN COINTEGRATION

Date: 06/14/19 Time: 03:07
Sample (adjusted): 1998 2016
Included observations: 19 after adjustments
Trend assumption: Linear deterministic trend
Series: LOG(RGDP) LOG(TOUR) LOG(EXR) INF
Lags interval (in first differences): 1 to 1

Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.766385	58.73079	47.85613	0.0034
At most 1 *	0.643097	31.10328	29.79707	0.0352
At most 2	0.283543	11.52777	15.49471	0.1810
At most 3 *	0.239126	5.192474	3.841466	0.0227

Trace test indicates 2 cointegrating eqn(s) at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values

Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesized No. of CE(s)	Eigenvalue	Max-Eigen Statistic	0.05 Critical Value	Prob.**
None *	0.766385	27.62751	27.58434	0.0494
At most 1	0.643097	19.57551	21.13162	0.0813
At most 2	0.283543	6.335292	14.26460	0.5706
At most 3 *	0.239126	5.192474	3.841466	0.0227

Max-eigenvalue test indicates 1 cointegrating eqn(s) at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values

Unrestricted Cointegrating Coefficients (normalized by b*S11*b=D):

LOG(RGDP)	LOG(TOUR)	LOG(EXR)	INF
-2.804272	2.531151	0.218993	0.313499
0.555269	-2.753589	2.792841	-0.058764
8.657684	-4.859295	-0.779919	0.116628
-0.708573	-2.819210	0.766187	0.071165

Unrestricted Adjustment Coefficients (alpha):

--

D(LOG(RGD P))	0.005202	0.006375	-0.018745	0.009000
D(LOG(TOU R))	-0.008000	0.055220	0.051473	0.075702
D(LOG(EXR))	-0.153860	-0.200485	0.012893	0.036651
D(INF)	-3.229197	1.726578	-0.267483	-0.413224

1 Cointegrating
Equation(s): Log
likelihood -8.060207

Normalized cointegrating coefficients (standard error in parentheses)

LOG(RGDP)	LOG(TOUR)	LOG(EXR)	INF
1.000000	-0.902605	-0.078093	-0.111793
	(0.22640)	(0.15976)	(0.01895)

Adjustment coefficients (standard error in parentheses)

D(LOG(RGD P))	-0.014589 (0.03159)
D(LOG(TOU R))	0.022433 (0.15176)
D(LOG(EXR))	0.431465 (0.21430)
D(INF)	9.055549 (2.30467)

2 Cointegrating
Equation(s): Log
likelihood 1.727550

Normalized cointegrating coefficients (standard error in parentheses)

LOG(RGDP)	LOG(TOUR)	LOG(EXR)	INF
1.000000	0.000000	-1.214646	-0.113120
		(0.20254)	(0.03648)
0.000000	1.000000	-1.259192	-0.001470
		(0.17656)	(0.03180)

Adjustment coefficients (standard error in parentheses)

D(LOG(RGD P))	-0.011049 (0.03180)	-0.004388 (0.04161)
D(LOG(TOU R))	0.053095	-0.172301

LOG(TOUR)	0.549283	0.107956	5.088035	0.0001
INF	0.000494	0.005994	0.082372	0.9353
LOG(EXR)	0.080214	0.067825	1.182658	0.2532
R-squared	0.829662	Mean dependent var	13.27710	
Adjusted R-squared	0.799603	S.D. dependent var	0.315018	
S.E. of regression	0.141020	Akaike info criterion	-0.910181	
Sum squared resid	0.338075	Schwarz criterion	-0.711224	
Log likelihood	13.55690	Hannan-Quinn criter.	-0.867002	
F-statistic	27.60057	Durbin-Watson stat	0.940727	
Prob(F-statistic)	0.000001			

ECM

Dependent Variable: D(LOG(RGDP))

Method: Least Squares

Date: 06/14/19 Time: 03:34

Sample (adjusted): 1997 2016

Included observations: 20 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.039204	0.032083	1.221941	0.2406
D(LOG(TOUR))	0.034693	0.046094	0.752645	0.4633
INF	0.000151	0.002509	0.060062	0.9529
D(LOG(EXR))	-0.016623	0.029573	-0.562100	0.5824
ECM(-1)	-0.150550	0.075870	-1.984305	0.0658
R-squared	0.244758	Mean dependent var	0.040824	
Adjusted R-squared	0.043360	S.D. dependent var	0.041772	
S.E. of regression	0.040856	Akaike info criterion	-3.345210	
Sum squared resid	0.025038	Schwarz criterion	-3.096277	
Log likelihood	38.45210	Hannan-Quinn criter.	-3.296616	
F-statistic	1.215294	Durbin-Watson stat	1.958177	
Prob(F-statistic)	0.345386			