

Tourism Growth from the Nigerian Historical and Human Capital Development Perspective

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Abstract

Focus by the Nigerian government on huge earnings from the oil sub-sector has resulted in neglect of developing other sub-sectors from which the country would have realized extra huge earnings. Nigeria is endowed with natural and human resources but these resources have neither significantly improved the standard of living nor enhanced economic development as expected in comparison with the economies of the Asian Tigers. Although considerable attention is extended to oil production, tourism exhibits a strong potential for greater foreign exchange earnings. Dwindling fiscal resources and increasing constitutional responsibilities compel governments to examine other avenues of generating revenue internally. Effective exploration of tourism would depend on human capital. The objective of the paper is to determine whether the current state of tourism in Nigeria is the result of neglect or lack of priority. A survey approach was introduced for the variables examined. This paper probes into the impact, role and dynamics of human capital development as a catalyst for the generation of higher national revenue from the tourism sector. The paper prescriptively emphasizes the development of tourism curriculum, motivation for tourism education and investment in tourism as critical keys for diversified revenue base from the tourism sector.

Keywords: *Fiscal resources, Human capital development, Revenue, Tourism, Investment.*

Background to the Study

Before and immediately after Nigeria's independence in 1960, the country's economy was predominantly agriculture-based. The economy was structured to export primary products with strong emphasis on the cultivation of cocoa, groundnuts, rubber and palm oil (Chete, Adeoti, Adeyinka and Ogundele, 2013). However, the discovery of crude oil in large quantities altered the structure of the Nigerian economy by shifting emphasis from the production of cash crops to the oil and gas industry. Nigeria depends more on earnings from oil to finance its development projects.

Focus by the Nigerian government on the huge earnings from the oil sub-sector has resulted in the neglect of the development of other sectors of the economy from which the country would have made extra earnings. Nigeria is endowed with abundant natural resources which provide opportunities for the development of the tourism sector. The economy is changing rapidly from one stage of growth to the other. As the economy changes, the dynamic nature of the role of government reflects changes and development in the economy. Even though foreign exchange earnings from the oil sub-sector have largely contributed to the country's national wealth, fluctuations in oil price at the international market tend to alter Nigeria's financial budget estimates.

The economic depression of the 1980s motivated the government to embark on a Structural Adjustment Programme (SAP) which had privatization as one of its features (Bamidele, 2006). The programme compelled the government to look inward to explore other viable avenues of boosting foreign exchange earnings. Economic statistics reveal why it is necessary for government to improve earnings by considering investment in other areas. In the first instance, Nigeria's real Gross Domestic Product (GDP) growth rate declined from 7.43 per cent in 2011 to 6.58 per cent in 2012 (Central Bank of Nigeria, 2013). The decline was partly driven by contractions in the oil sub-sector during the period. The stimulants of overall economic growth during the period was the non-oil sector, showing agriculture, wholesale and retail trading and the services sub-sectors as contributing 1.37 per cent, 2.19 per cent and 2.10 per cent in that order (Central Bank of Nigeria, 2013). If the non-oil sub-sector shows growth potentials, it implies that tourism which features in that sector equally has growth potentials.

There is much attention given by individuals, corporate bodies and government to the oil sector, banking industry and the stock market. Significant attention is hardly given to the tourism industry, and when it is done at all, it is not generally seen as a viable or economically gainful sector. This is a misconception of the industry which only educational enlightenment can correct and re-direct. From 1982-2004, the Central Bank of Nigeria *Statistical Bulletin* various issues treated only two units of the tourism industry by providing statistics in relation to their contribution to Nigeria's Gross Domestic Product (GDP). The two units are hotels and restaurants. Other units such as museum services, wild life preservation and culture among others were excluded. The plausible reason is lack of data and, to a large extent, unnoticed activities could explain such exclusion (Raphael, 2014). The short-coming of the statistics presented by the Central Bank of Nigeria (CBN) only highlights the poor attention given to the tourism industry in Nigeria.

The implication of including only the hotel and restaurant units is that other units are seen as not contributing any significant value to the GDP. There is evidently lack of reliable and adequate statistics on operations in the tourism industry in Nigeria. Furthermore, revenue from the sector is considered negligible in comparison with revenue from the oil sector. This paper is focused on the inattention which characterizes the Nigerian tourism sector and it ascribes lack of significant human capital development to the sector as a consequence. The rest of the paper is as follows: Section 2 theoretically explores the rationale for investment in human capital development and tourism in Nigeria. While section 3 highlights the methodology adopted Section 4 is the conclusion. In section 5, recommendations and suggestion for future research are presented.

Review of Literature

Theoretical Review

Rostow's theory of development is considered apt for this study and its choice is predicated on its adherence to, and capture of people's attitudes, human motivation and other non-economic institutions (Todaro and Smith, 2009). More specifically, there is neither economic development nor economic growth without the role of human capital. The human element is an indispensable variable. This rationale makes it even more apt for the paper. Tourism development as well as economic development is about people. Significantly, issues about people, to a large extent, involve attitudes and motivation. Rostow's theory emphasizes people's behavior as a basic determinant of economic growth (Agrawal and Kundan, 1997). In particular, such human behavior is largely influenced by the prevailing socio-cultural and political institutions as much by human activities. The crux of the theory from the economic perspective is people's disposition towards factors that contribute to development. Rostow's theory underscores non-economic elements and motives (attitudinal behavior) for consideration in efforts at economic growth and development, and not just a focus on economic activities and motives.

The questions arising from Rostow's theory therefore in relation to Nigeria are: Are Nigerians favourably disposed to tourism? What is the attitude of the Nigerian government to tourism through the decades? If people's disposition to tourism is favourable, the quantity and quality of labour, and capital will increase to make tourism development a significant variable in the GDP. Three basic elements feature in Rostow's theory as follows: favourable disposition of the people, changing profile of leading sectors of the economy and investment increase. While the theory underscores the role of investment and human capital development in economic growth, investment is two-fold. One, it refers to investment in human capital development. Secondly, it is expenditure on economic activities. However, human capital development provides in part, the impetus for the growth of manufacturing activities, and revolution in agriculture and technology (Akintoye and Awosika, 2000).

Tourism Development in Nigeria

The problem with the term *development* is that it is multi-dimensional. However, tourism development cannot be discussed, either extensively or in part, without reference to human development. Every nation has its unique culture, places of historic interest, traditional

fashion and food menu which can be packaged and displayed to foreign visitors (Allen, 2013). These features portray a country's natural endowment and also serve as sources of leisure and education. Nigeria is richly endowed with mineral resources and its geography is characterized by historic hills, valleys, rivers, rocks, waterfalls and landscapes of tourist interest (Virgo and Berge, 2015). The immense potential for tourist activities motivated the Nigerian government to establish the Nigerian Tourism Development Corporation which is a regulatory tourism agency.

Prior to the articulation of a national tourism policy, tourism activities were largely informally conducted by individuals who could take the entrepreneurial initiative to do so. It was not until private sector initiatives began to invest in tourism that the government's attention was drawn to the sector. Nigeria's geographical structure, cultural diversity and hospitality potential are incentives which could be harnessed to boost tourism industry in the country. Nigeria is endowed with abundant natural resources which provide opportunities for the development of the tourism sector. There are over 250 ethnic languages in Nigeria with a rich mix of cultural components, each with a unique belief and philosophy (Badmus, 2009). Nigeria's landscape structure, its climate, the people's resilience, creativity and hospitality constitute a tourism package.

Historical Perspective of Tourism in Nigeria

Tourism in Nigeria could be said to have been since 1472 when the first Portuguese merchant came into Lagos on a mercantile mission – Trade Tourism, but tourism began to grow in 1962 with the promotion of a Tourism group named the Nigerian Tourism Association (NTA). The NTA received some grant-in-aid from the government and earned membership of the international union of official Travel Organization (IUOTO) in 1964. Government appointed the African Development Bank (ADB) to conduct a feasibility study on the potentials and the viability of Tourism in Nigeria. This led to the replacement of the NTA—a private voluntary association of interested Nigerians, with a Government public board established by Decree NO. 54 of 1976 and which is known as the NIGERIAN TOURISM BOARD (NTB). The decree NO.54 however did not come into effect until 1978.(Anam, 2014).

The NTB had a chequered history, and consequently failed to create any meaningful impact on the country's tourism industry. This trend was reversed from 1989 when the Federal Government of Nigeria began to regard tourism as an industry to be development given the administration of its cultural, social, recreational, economic, holistic, domestic and international relevance (Ade, 2005) The Nigerian tourism development corporation act established the Nigerian Tourism Development Corporation (NTDC) as the statutory authority empowered to promote, develop and regulate tourism and hospitality businesses in Nigeria.(Anam and Adebitan, 2014).

According to Charles (2006), economic reformists place Tourism on the front burner. The new thinking on tourism was actually spurred by the reforms embarked upon by the regime of President Olusegun Obasanjo sensing the need to diversify the government's revenue base and correct the structural deficiencies of the economy. Realizing that tourism is a strong alternative to crude oil as a revenue earner, in view of declining global oil prices, government selected the industry as one of six priority areas central to the revival of the

economy. Tourism became a cardinal stone for achieving Nigeria's 7-point agenda and its Vision 20:20 programme and also attracting foreign direct investment. Charles (2007).

Nigeria has a lot of tourism attraction areas that can still be developed to be attracting more tourists from over the world. Just like the Cross River governments has done with Obudu Cattle Ranch and Ogun state with Olumo Rock. We have the Ikogosi warm Spring Natural at Ekiti, Erin Ijesa water fall in Osun State, Gurara Falls and Shirro Dam Tourist in Niger State, Oloibiri Oil Museum in Bayelsa etc. If well developed, the so many tourist attraction places will attract a lot of tourists, which will in turn add a lot to the GDP of the Nigerian economy.

Methodology

The survey approach was adopted with restriction to tourism and human capital development. Phases in Nigeria's socio-economic history were singled out as follows: 1980;1982-2004; 2004-2012; 2011-2012. The variables in the context analysis are tourism and human capital development in the Nigerian economy. The choice of these years was determined by the availability of statistics for the variables under discussion and appraisal.

Appraising Human Capital Development for Tourism

The dimension of human capital is currently a composition of knowledge, skills, experience, capacity and ability for productive work which individuals should possess. In essence, human capital is the quality (value) of any human being in relation to productive service. However, development of human capital is a function of systematic education, training, good health and nutrition. These factors must of necessity attract adequate investment (Klaue, 2015). It follows similarly that the development of human capital through investment in the factorial variables must be driven by specific objectives. Studies on economic development and growth are replete with a stream of variables which influence the GDP (Oladeji, 2014; Todaro and Smith, 2009). The human capital is a critical variable. Studies on the GDP have generally factored the human capital since its contribution, among others, is critical. Observations show that the formation of human capital is important for economic development. In the same vein, David and Olen (2011) have revealed that education exposes individuals to leisure and its benefits such that individuals begin to show interest in tourism. Tourism in itself is a form of educational activity.

Indeed, it is empirically established that industrialization is hinged on human capital stock as a critical component, next to infrastructure (Johnson, 2012). Consequently, for developing countries to be industrialized, quality human capital stock must be built. Human capital, like entrepreneurial initiative and efforts, initiates change, creativity and innovation in every sector of the economy be it the productive or service sector. Such initiative emanates from the availability of quality human capital stock. Nonetheless, the major problems of developing and less-developed countries are not restricted to poverty, corruption and unemployment, the problem is essentially lack of quality human capital stock unlike what is displayed in advanced economies. Human capital formation should reflect every sector of the economy: tourism, energy, oil, gas, space exploration, technology and environmental biodiversity among others.

Investment in human capital provides the stimulus for individuals to improve their mental capacity, appreciate life more meaningfully, engage in feasible economic activities and show better discernment in decision-making, having been intellectually and scientifically empowered. For developing countries, including Nigeria, human capital development necessitates massive investment in education at all levels. Although Nigeria has made appreciable progress in education, is this reflected in the country's human development index (HDI)? If it is not, then certain sectors of the economy are yet to be accounted for in the educational sector and in the country's investment in education.

Human capital development is associated with the process of giving individuals to access to learning for mental development, improved rate of social awareness and health consciousness. The product of human capital development is the stock of human capital with its attendant added value. The extent of tourism development or investment in the sector can be traced to human motivation through educational development. A measure of the correlation between tourism development and human capital development is by means of human development index.

In recent times, the United Nations Development Programme (UNDP, 2003) has designed the constituents of human development index (HDI) to reflect people's health status, level of educational attainment, standard of living and overall socio-economic outlook. In its efforts at comparing human development standards among countries, the UNDP ranks countries on a scale of between 0 and 1. Scale 0 is interpreted as the lowest human development while scale 1 is an indication of the highest human development. More remarkably, the HDI captures not only development but longevity, knowledge and standard of living (Oladeji, 2014). Nigeria's HDI from 2004-2012 is instructive.

Table 1: Nigeria's Human Development Index (HDI) 2004-2012

Year	Nigeria	Sub-Saharan Africa	World
2004	0.448	0.436	0.510
2005	0.434	0.432	0.666
2006	0.444	0.440	0.672
2007	0.448	0.449	0.678
2008	0.453	0.456	0.683
2009	0.457	0.463	0.685
2010	0.462	0.468	0.690
2011	0.467	0.472	0.692
2012	0.471	0.475	0.694

Source: UNDP Human Capital Reports (various years)

Nigeria's HDI profile from 2004-2012 is a challenge to both the government and all stakeholders in the country's educational sector. Even though the country's HDI experienced a marginal nominal increase each year from 2006-2012, comparatively, the HDI for Sub-Saharan Africa for the same period shows a promising investment in human lives over that of Nigeria. The World HDI is quite significant for each year. This is supposed to be the aggregate for the whole world. However, what is implied is that investment in human

capital development is creating awareness for appreciation of the entire economy, leisure and responsiveness to socio-economic issues, not neglecting the drive for attainment of good standard of living. Accordingly, the HDI is a valid indicator of the overall level of socio-economic awareness of a country's population, average educational attainment, income and health standards (Oladeji, 2014).

Consequently, improved HDI or a higher HDI considerably from 0.5 and above is implicitly a fairly good coverage of all sectors of the economy, including tourism in the human capital development process. Human capital is the impetus for development in all sectors of the economy. Besides financial investment, human capital formation is critical to tourism development in Nigeria and elsewhere. Indeed, tourism cannot be attractive without any significant stimulating initiative from the available human capital stock designed specifically for the sector. In a similar vein, it is human capital development that sensitizes and spurs people's interest in tourism through education and publicity for the sector (Baker, 2015).

Conclusion

Neglect could mean deliberate absolute lack of concern for the development of tourism in Nigeria, but lack of priority to the sector would imply that attention was over the decades directed to other sectors, particularly, oil, energy, gas, export and import trade which presumably had greater earnings than estimated revenue from the tourism sector. Analysis of Nigeria's HDI and the status of tourism as shown in this paper evidently tilt to the finding that tourism has not been accorded significant priority by successive governments in Nigeria's socio-economic history. Inference from Rostow's theory is suggestive that investment in infrastructure, human capital and other areas of the economy should not exclude tourism.

Recommendations

Tourism has become a therapeutic phenomenon not only for international tourists but for individuals who seek means of appreciating socio-cultural knowledge and management of stress. It is imperative for the Nigerian government, through the appropriate regulatory body and supervising ministry, to encourage private sector partnership as part of initiative for rapid development of the tourism sector.

Tourism is viewed from the economic perspective as a contributor to national development through earnings from foreign exchange and the generation of employment. However, education and public enlightenment have a significant role to play in this direction. Consequently, tourism should be introduced into school curriculum as part of general studies.

Rural communities in Nigeria should be empowered to promote tourism. This can be done through enlightened publicity and a programme of rural development in conjunction with local government authorities. Much awareness, however, needs to be created in the areas that show potential for tourism. What is critical for tourism development in Nigeria to make tourism generate higher revenue is investment in human capital for that purpose. It is expected that a programme for human capital development for the purpose of tourism

growth will motivate interest in the individuals involved. But other components should equally be given priority. For example, tourism cannot thrive without good roads or without good means of transportation. In addition, tourism cannot develop significantly where there is social insecurity. Also, in a country where power outage is recurrent phenomenon, tourism development is constrained. Therefore, the above infrastructural elements must be adequately put in place sustainably. For a growing economy and a Nigerian population of not less than 150 million people, human capital development is critical for economic growth. Considering tourism for which Nigeria has a high potential, other sub-sectors which can still be investigated are ecotourism, medical tourism and religious tourism. However, strongly recommended for further research is the revenue contribution of tourism to the national economy over the last 20 years in Nigeria or elsewhere.

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