Role of Governmental Agencies in Alleviating Poverty through Sustainable Tourism in Nigeria

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Abstract

Over the past decade, many developing countries have turned to tourism for sustainable development. In recent years, tourism’s economic contribution in developing countries has exceeded that of traditional economic activities like agriculture and mineral extraction. The development of tourism as a critical sector of the economy has gradually assumed a centre stage in the economic agenda of most nations in the world. This paper examines the role of Oyo States governmental agencies in alleviating poverty among residents. Basically the study aims at exploring the role of these governmental agencies in building linkages between tourism industry and the local economy. The research is designed using both primary and secondary sources of information. The primary sources of information were from interviews, observations and questionnaire administration to key informants from Oyo State tourism outlets, while the secondary sources of information were through desk and web research types. The results were analysed through descriptive discussions. The results revealed that 8.6 percent of key informants believe that residents are not involved in decision making, and 20 percent were of the opinion that viable partnership are not existing between the governmental agencies and the tourism outlets. The Nigerian tourism industry is yet to fully integrate the local residents into its various activities. Also the capability of tourism as an industry in creating multi-layered opportunities for poverty alleviation is yet to be fully realised. An overhaul of the Nigerian industry is essential for a bottom-up administrative style to directly meet the need of the people.

Key Words: Sustainable Tourism, Governmental Agencies, Poverty Alleviation, Nigeria, Oyo State
Introduction

Tourism is said to be one of the fastest growing industries globally, an effective way to revitalise the economy of a nation (Long 2012); and a major source of foreign exchange (Chockalingam and Ganesh, 2010). Tourism is said to be the fourth largest industry in the world, encouraging investments for infrastructure, entrepreneurship and human resource resulting as major source of foreign exchange (Kafle, 2011). Tourism provides plates for formulation and implementation of national plan, policy and strategies for development. The continuous growth of tourism has facilitated increased disposable income, demand for leisure and global economic restructures (Ayeni and Ebohoh, 2014). According to Haller (2012), tourism in African continent is capable of enhancing economic growth and development; and also could launch the image of the continent to the global world. Tourism industry is said to have a major contribution on international and domestic tourism in the developing countries and also playing a big role in the world economy as major factor for globalisation, socio-economic development and balancing social and environmental well-being (Honey and Gilpin, 2009). Although tourism is needed for economic development of developing countries, sustainability is imperative to minimise the negative foot print. Sustainability of tourism is hinged on the community benefiting from all the enterprises (Manwa, 2012). Tourism needs to prove its link with poverty reduction rather than relying on the concept of trickledown. Government and development agencies need to address the challenge of spreading the benefits of tourism geographically and to the poor (Kerala Tourism, 2008).

Nigeria, a beautiful mosaic with a national identity and with a population of over 150 million people is defined by its history and contemporary culture (Anyim, 2008). In Nigeria, the vast tourism potentials such as Table Mountains, beautiful landscapes, colourful folks, and overwhelming serenity of wildlife, waterfalls, rich festivals, architecture and craft have necessitated the existing tourism drive in the country (Kolawole and Oladunni, 2014). Despite these potentials, about 70 percent of Nigerian population lives below income levels sufficient their basic needs (Okonja-Iweala, Soludo and Mahtar, 2003). Tourism is capable of creating business opportunity, employment opportunity, increased income and improvement the livelihood option in the Nigerian tourism destinations.

Economic Impact of Tourism in Nigeria

The impact of tourism has been measured traditionally in terms of its contribution to Gross National Product and employment created. Tourism comprises a significant part of the world’s growing service sector especially in Sub-Saharan Africa (UNWTO, 2004). Many times tourism’s overall impact on the economy is estimated by looking at the effect of tourism expenditures through direct, indirect and induced spending using a multiplier effect approach (Jamieson, et al., 2004). According to Honey and Gilpin (2009), communities that are poor in material wealth but rich in history and cultural heritage are enabled by tourism to leverage their unique assets for economic development. Richardson (2010) explained that economic benefits of tourism include the expansion of employment and wages ensuring commitments to local jobs and training of local residents, and the development of collective community income. He further stressed that the overall economic impact of tourism is maximised through enhancing linkages with other local economic sectors. Akama and Kieti (2007) stated those strong economic linkages with tourism and other sectors such as agriculture and small enterprises will enhance the multiplier effect, thus contributing to increased revenue retention and creation of employment opportunities for local people.
A framework of a Tourism Satellite Account was used by World Travel and Tourism Council (WTTC, 2013) to quantify the economic impact of Travel and Tourism (T&T) in Nigeria. The estimates based on ‘demand-side’ analysis of Travel and Tourism’s impact on economic activity, since the sector does not produce or supply a homogenous product or service like traditional industries (agriculture, electronics, steel, etc.).

The direct contribution of T&T to GDP in 2013 was NGN 757.3 billion (1.6% of GDP). This forecast is to rise by 2.5% to NGN 776.5 billion in 2014. This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services (excluding commuter services), which includes the activities of the restaurants and leisure industries directly supported by tourists. T&T generated 866,000 jobs directly in 2013 (1.3% of total employment), while also in 2013, Nigeria generated NGN 107.1 billion in visitor exports. In 2014, this is expected to fall by 0.9%, and the country is expected to attract 900,000 international tourist arrivals.

Table 1: Economic Contribution of Travel and Tourism in Nigeria: Real 2013 Prices

<table>
<thead>
<tr>
<th>Nigeria (NGN Billion)</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014E</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Visitor exports</td>
<td>159.0</td>
<td>172.2</td>
<td>149.8</td>
<td>129.8</td>
<td>109.0</td>
<td>107.1</td>
<td>106.2</td>
</tr>
<tr>
<td>2. Domestic expenditure</td>
<td>1237.1</td>
<td>1055.3</td>
<td>947.3</td>
<td>975.9</td>
<td>1112.2</td>
<td>1,174.5</td>
<td>1,209.2</td>
</tr>
<tr>
<td>3. Internal tourism consumption</td>
<td>1,396.1</td>
<td>1,227.4</td>
<td>1,097.1</td>
<td>1,105.7</td>
<td>1,221.2</td>
<td>1,281.6</td>
<td>1,315.2</td>
</tr>
<tr>
<td>4. Purchases by tourism providers</td>
<td>-544.5</td>
<td>-482.9</td>
<td>-446.6</td>
<td>-454.1</td>
<td>-499.8</td>
<td>-524.3</td>
<td>-539.1</td>
</tr>
<tr>
<td>5. Direct contribution of T&amp;T to GDP</td>
<td>851.7</td>
<td>744.6</td>
<td>650.5</td>
<td>651.6</td>
<td>721.4</td>
<td>757.3</td>
<td>776.5</td>
</tr>
<tr>
<td>6. Domestic supply chain</td>
<td>508.9</td>
<td>444.9</td>
<td>388.7</td>
<td>389.4</td>
<td>431.1</td>
<td>452.5</td>
<td>464.0</td>
</tr>
<tr>
<td>7. Capital investment</td>
<td>323.5</td>
<td>320.2</td>
<td>296.9</td>
<td>285.1</td>
<td>252.6</td>
<td>264.2</td>
<td>266.9</td>
</tr>
<tr>
<td>8. Government collective spending</td>
<td>9.9</td>
<td>11.8</td>
<td>13.9</td>
<td>14.4</td>
<td>15.4</td>
<td>16.5</td>
<td>17.6</td>
</tr>
<tr>
<td>9. Imported goods from indirect spending</td>
<td>-200.3</td>
<td>-177.8</td>
<td>-301.4</td>
<td>-302.7</td>
<td>-258.0</td>
<td>-253.4</td>
<td>-265.2</td>
</tr>
<tr>
<td>10. Induced</td>
<td>376.7</td>
<td>343.2</td>
<td>267.1</td>
<td>253.4</td>
<td>297.8</td>
<td>322.3</td>
<td>329.6</td>
</tr>
<tr>
<td>11. Total contribution of T&amp;T to GDP</td>
<td>1,870.4</td>
<td>1,686.9</td>
<td>1,315.8</td>
<td>1,291.2</td>
<td>1,460.0</td>
<td>1,559.5</td>
<td>1,589.6</td>
</tr>
<tr>
<td>12. Direct contribution of T&amp;T to employment</td>
<td>1,147.8</td>
<td>969.0</td>
<td>776.8</td>
<td>796.0</td>
<td>854.0</td>
<td>866.2</td>
<td>859.2</td>
</tr>
<tr>
<td>13. Total contribution of T&amp;T to employment</td>
<td>2,616.4</td>
<td>2,266.6</td>
<td>1,583.2</td>
<td>1,595.1</td>
<td>1,779.5</td>
<td>1,836.8</td>
<td>1,811.0</td>
</tr>
<tr>
<td>14. Expenditure on outbound travel</td>
<td>1,041.8</td>
<td>885.9</td>
<td>1213.7</td>
<td>1,292.9</td>
<td>1,143.9</td>
<td>1,168.0</td>
<td>1,203.7</td>
</tr>
</tbody>
</table>

Source: WTTC Travel and Tourism Economic Impact (2014)
Sustainable Tourism in Nigeria

Responsible and sustainable tourism allow destinations and companies to minimise the negative effect of tourism on the environment and on cultural heritage while maximising the economic and social benefits (UNWTO, 2010). Tourism development in Nigeria started since 1960, the year of independence. Precisely the Nigerian government under the regime of General Obasanjo in 1976 established the Nigerian Tourism Board now named the Nigerian Tourism Development Corporation through the Decree 54, 1976 (Ojo, 2014). This was reviewed to Decree 86, 1991 which made the tourism sector a preferred sector. The Master Plan for Nigerian Tourism Development was inaugurated in 1982 backed up with a development policy in 1990. To improve the quest for quality service delivery in the tourism industry, the Nigerian government established the Federal Ministry of Tourism and Culture to achieve the dream of meeting up with the global trend in tourism development (Munzali, 2011).

The Nigerian government is now recognising the need to develop the tourism industry in order to be able to diversify the economy. Tourism has been identified as another sector capable of turning the Nigerian economy around apart from petroleum and Agriculture (Dalat, 2010). Nigeria is a country richly endowed with vast tourism potentials such as mountains, beautiful landscapes, wildlife, waterfalls, architecture, crafts, arts, and overwhelming rich festivals, music and films and culture. However most of these resources are yet to be tapped (Ojo, 2014). The tourism industry in Nigeria can be said not to be in its developing stage due to neglect by various governments since independence.

According to Ekanagake and Long (2012), tourism will not be a potential source of economic growth to promote tourism become a focus in the developing countries. Ayeni and Ebohoh (2014) remarked that there is nowhere the problem of inadequate infrastructure is most pronounced than in Nigeria where the dearth of infrastructure is compounded by the inability to maintain the few existing ones. They further stated that lack of infrastructure is most pronounced in the rural areas where incidentally most tourist sites are located.

Although Nigeria being an upcoming country in tourism development, the sector need be developed sustainably in order to enhance the environmental, economic and socio-cultural sustainability of the tourist areas (Choi and Sikaraya, 2006). Sustainability is not only about being sensitive to local community needs and concerns, recognising the importance of all the people in the decision making process (Ozgen, 2003).

Theoretical Framework

Sustainable tourism aims at meeting today’s needs without compromising the need of future generation (Kafle, 2011). The researcher explained the role of stakeholders for sustainable tourism in alleviating poverty as the poor, the government, the private sector, the tourist, the non-governmental organisations and other development organisations. Kuster (2011) stated that people may not be familiar with sustainable tourism or responsible tourism terminology but they prefer natural heritage, socio-cultural heritage, historical heritage, and environmental interaction with local culture. He further that explained that sustainable tourism is affected by a number of socio-economic variables and these are business cycle in the global economy, development of science and technologies, culture and lifestyle of the changing generation and trends in tourism industry itself. Sustainable tourism provides employment opportunities by diversifying and increasing income which reduces the vulnerability of the poor (UNESCAP, 2003). Sustainable is very important in generating
solutions for local problem regarding women, marginalised group, natural resources, environment and critical issues (Kafle, 2011). He further stated that increased local social welfare, greater and more equitably distributed local economic wealth and enhanced integrity of local ecosystems are the objectives for steering sustainable local development. Sustainable tourism was suggested to be capable of providing jobs, generating income, diversifying the economy, protecting the environment and promoting cross-cultural awareness.

A model of barriers to tourism related poverty reduction is stated by Jameison et al., (2004) as follows:

- Lack of government programme targeted to the tourism informal sector which plays an essential role in providing tourism services and has the significant potential of helping to reduce poverty especially in urban areas.
- Lack of education/training of tourism and poverty officials in using tourism as a poverty reduction tool.
- Poor lacking access to credit which is essential in helping them to participate in the tourism economy.
- Government as well as non-governmental agencies lacking the organisational capacity to respond to the opportunities provided by tourism development.
- Poor having limited access to tourism infrastructure and assets.
- Governments and in particular regions and communities lack essential market knowledge to allow them develop pro-tourism strategies and products based on sound market information.
- Outdated regulations and red tape make it impossible at times to develop innovative products and services.
- Often the areas with the highest levels of poverty lack the necessary transportation and communication infrastructure essential to meeting needs of the tourism industry.

According to Wolfgang and Lucie (2011), building leakages among the poor and government agencies require:

- Effective national policy strategies and a regulatory framework that builds on local development
- Public private partnership collaboration between tourism enterprises and local enterprises and local governments to set regulations and policies on local supply chains, as well as the establishment of sustainable market opportunities for local suppliers that help to sustain local environment while ensuring quality, quantity and a unique experience for tourists to get in contact with local enterprises.

A seven step model of sustainable tourism for alleviating poverty is recommended by World Tourism Organisation (UNWTO) and Netherlands Development Organisation (SNV) in the year 2010 as follows:

- Employment of poor in tourism enterprise
- Supply of goods and services to tourism enterprise by the poor or by enterprises employing the poor
- Direct sales to the visitors by the poor (informal economy)
- Establishment and running tourism enterprises by the poor, that is, Micro Small and Medium Size Enterprises, community based enterprises (formal economy)
- Tax or levy on tourism income or profits with proceeds benefiting the poor
- Voluntary giving/support by tourism enterprises and tourists
- Investment in infrastructure stimulated by tourism development benefiting the poor directly or through support to other sectors.

Methodology

Nigeria consists of 36 states in the Federation. Oyo state is one of the states located in the south-western zone of the country. The state exhibits a typical tropical climate of averagely high temperature, high relative humidity and generally two rainfall maxima regimes during March to October.

Fig 1: Map showing 36 states of Nigeria

The study was conducted in the Oyo State Tourism Board and Oyo Council for Art and Culture. The governmental agencies which are directly under the Ministry of Tourism and Culture coordinate the activities of travel agencies, hotels, restaurants, event centres, night clubs, car hire services, souvenir outlets, arts and crafts shops among others.
Oyo State is homogenous with a population of about 6.5 million people (Oyo State Tourist Guide, 2008). The state which consists of Yoruba speaking nationals is blessed with many tourist attraction centres ranging from historical and archaeological sites, battle grounds, old settlements, cultural attractions to recreational spots. The Oyo State houses one of the eight National Parks in Nigeria. The state covers a total of 27,249 square kilometres of land mass and consists of 33 Local governments with each having unique culture, festivals, arts, crafts and traditional cuisine (Oyo State Tourist Guide, 2008). Oyo state is one of the most urbanised in the Federation. The topography of the state is one of gentle rolling lowland in the south, rising to a plateau of 40 metres in the north. The state is well drained with rivers flowing from upland in the north-south direction.

The study was conducted by employing both primary and secondary data. The primary data employed in this study were taken from quantitative and qualitative data. The qualitative data were employed through interview and observation of staffs of Oyo State Tourism Board and Oyo Council for Art and Culture. The qualitative were used to determine programmes targeted towards reduction of poverty among residents of Oyo State; and to review whether opportunities provided by immense tourism potentials in the State are harnessed and utilised to empower the poor. The quantitative data were gotten through administration of questionnaires to key informants in tourism businesses in Oyo State. Secondary data was collected through a comprehensive review of literature using publication from academic articles, books, reports, relevant papers and web analysis. The review of literature was done in accordance to the objectives of the paper. Some information received from the Oyo State Ministry of Tourism and Culture were very useful to the study.

A purposive sampling technique was employed to interview 10 key officers out of the 28 staff of the two government agencies. The selection was done through position held, expertise and length of service in the government agencies. Also a purposive sampling technique was used to select the key informants from the seven major tourism outlets (hotels, travel agencies, restaurants, event centres, car hire services, souvenir shops, arts and craft shops)served by the two government agents. Five key informants of each of the seven tourism outlets were selected. The key informants from each tourism outlet selected include the Manager or Chief Executive or Director. A total of were 35 key informants were used. Both the model of barriers to tourism related poverty reduction by Jameison et al (2004) and seven step model of sustainable tourism for poverty reduction by UNWTO and SNV (2010) were used as guidelines for the interview and questionnaires of this research. Descriptive analysis which consists of table and simple percentages was employed in discussion of the result.

The major objectives of the study were to determine the

- role of governmental agencies in building linkages between tourism industry and local economy
- perception of the major key informants of tourism outlets in governmental agencies alleviating problem
- relevant recommendations and suggestions for further study

Results and Discussion

Staff Perception of Government Alleviating Poverty

In this section, the findings from the interaction with the staff of the two governmental agencies are discussed. During the interaction it was found out that although the state government fly some programmes, there is lack of programmes targeted on tourism development to alleviate poverty among the poor. This has made the poor to have limited access to tourism assets. It was also observed that the state government has not utilised essential tourism market knowledge. The main concept of
tourism serving as a tool to alleviate poverty is not properly understood and taken among administrators as conflict of interest is paramount among administrators. Although the State policy on tourism encourages creation of direct employment for masses through tourism enterprises, funds were not made available for small scale businesses.

As tourism policy makers were not trained to understand the full concept of tourism, the linkage between the governmental agencies and local sector is very weak. This has also been a barrier to capacity building among local entrepreneurs. Small and medium scale businesses are not created by the government as masses lack access to credit facilities. Opportunities provided by the tourism potentials of the state are not harnessed and utilised to empower the poor. A major problem the state government struggles with is enhancement of infrastructural facilities. Although much was done in this area recently, the impact is yet to be fully realised by the masses. Tourism in Oyo State has however promoted traditional festival and ceremonies thereby enhancing the socio-cultural status of the people. The State agencies made appreciable effort to lessen tourism economic leakages by reducing imported skilled labour and luxury products. Demonstration projects to improve the traditional skills of the local enterprise are lacking and this has further widened the gap between the government and the poor.

**Questionnaires**

The questionnaires attempted to find out how activities of the government agencies positively impacted poverty alleviation in the state.

**Table 2: Impact of Governmental Agencies’ Activities on Poverty Alleviation**

<table>
<thead>
<tr>
<th>Activities of governmental agencies</th>
<th>Yes</th>
<th>Percentage</th>
<th>No</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government assist to market products to tourists</td>
<td>26</td>
<td>74.3</td>
<td>9</td>
<td>25.7</td>
</tr>
<tr>
<td>Existence of viable partnership and collaboration with government</td>
<td>7</td>
<td>20.0</td>
<td>28</td>
<td>80.0</td>
</tr>
<tr>
<td>Government aiding supply of tourism goods and services by the poor</td>
<td>11</td>
<td>31.4</td>
<td>24</td>
<td>68.6</td>
</tr>
<tr>
<td>Government encouraging direct sales of goods and services to tourists</td>
<td>29</td>
<td>82.9</td>
<td>6</td>
<td>17.1</td>
</tr>
<tr>
<td>Government allow access to credit facilities for small and medium scale businesses</td>
<td>5</td>
<td>14.3</td>
<td>30</td>
<td>85.7</td>
</tr>
<tr>
<td>Poor made to partake in decision making</td>
<td>3</td>
<td>8.6</td>
<td>32</td>
<td>91.4</td>
</tr>
<tr>
<td>Training programme on tourism from the government</td>
<td>8</td>
<td>22.9</td>
<td>27</td>
<td>77.1</td>
</tr>
<tr>
<td>Tourism taxes used for poverty alleviation</td>
<td>3</td>
<td>8.6</td>
<td>32</td>
<td>91.4</td>
</tr>
</tbody>
</table>

Results from Table 1 show that the government agencies in Oyo state are yet to fully actualise programmes and policies that would alleviate poverty among the poor.

Although the Oyo state governmental agencies have not fully utilised the knowledge of tourism market, majority (74.3%) of the respondents from tourism outlets believe the agencies assist in marketing the tourism products to tourists. The respondents from the tourism outlets (80%) believe that there is no viable partnership and collaboration with government and this might has resulted to absence of demonstration projects to enhance the traditional skills of the poor. Sustainable tourism
can only be achieved when governments and local businesses cooperate on practical initiatives in destinations through stable local level partnerships. This might also be as a result of the State government lacking the organisational capacities to respond to the opportunities provided by tourism ventures. In line with the result that there is no viable partnership between the agencies and the tourism outlets, majority (77%) also testified to absence of training programmes by the government. There is a very low level of response of the government agencies to poverty alleviation as over 85% of the response believed the poor do not have access to credit facilities for creation of small and medium scale businesses. This is reflected in the report of WTTC (2014) that the collective spending of the government on tourism is low. Jameison et al. (2004) stated that the focus of development aid should not be solely to build hotels and fund national airlines but rather to support the process of development through of the country through capacity building, infrastructural development and in small and medium scale businesses creation. Promotion of local businesses is however doing fairly well in Oyo state as many of the respondents (about 83%) attested to the fact that government agencies assist in direct sales of their products to the tourists. Tourism is said to be capable of contributing to direct taxation by generating taxable economic growth. Tourism taxes in Oyo state are not used to alleviate poverty as over 91% of respondents testified to this. Tourism taxes could alleviate poverty through education, health and infrastructural development.

Conclusion and Recommendation
The results indicate that governmental agencies in Oyo state lack programmes targeted on tourism development and poverty alleviation. The full concept of tourism in respect of its capability to serve as tool for economic development and wealth creation is yet to be fully understood by policy makers. There is dearth of viable collaboration and partnership between governmental agencies and the local sector and as such credit facilities are not readily accessed by the poor for creation of small and medium scale enterprises. Although governmental agencies assist in marketing local products to tourists, non-involvement of the poor in decision-making process has led to lesser positive impacts. The study revealed that the poor are not experiencing improvement in their lives and livelihood in reasonable measure through tourism.

The recommendations that emanate from this study are as follows:

- **Governmental agencies and Policy Makers should have a large understanding about the potentials and role of sustainable tourism in national development and wealth creation**
- **Oyo State tourism agencies should collaborate with national and international agencies in development of viable partnership with residents in alleviating poverty**
- **The linkage between the government and the local sector must be recreated by skill enhancement training, access to fund for small and medium scale tourism enterprises and active participation in decision making process.**
- **Governmental agencies should always encourage direct linkage of tourists with the poor which would enhance vibrant marketing and sales of products**
- **Professional and academic training of governmental agencies’ staff is imperative to broaden the scope of activities and perception in alleviating poverty through sustainable tourism.**
- **A bottom-up decision making procedure that directly takes into consideration the immediate need of the poor should be put in place.**
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