

Beyond Oil: Dual-Imperatives for Diversifying the Nigerian Economy

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Abstract

Nigerian economy is mono-cultural, depending on a single commodity—oil. Other sectors of the economy have been relegated to the background, while the management of oil revenues has proven inefficacious in driving the economy to bring about the needed level of development. This scenario has serious negative implications on the nation's development calculus, as after five decades of exploration activities, a good percentage of Nigerians live in abject poverty, unemployment is double-digit and productivity is at its lowest ebb. Given this scenario, the study seeks possible ways of diversifying the productive base of the Nigerian economy. Using descriptive method of analysis, it is revealed that considering Nigeria's peculiar circumstances and the successes recorded before the advent of oil, for Nigeria to break loose from the problems inherent in a monotype-economy, especially one largely dominated by oil, which is subject to depletion, international price shocks and unfavourable quota arrangement, there is need for diversification. Two sectors—agricultural and tourism—are suggested as possible options for diversifying the Nigerian economy. Drawing from the implications of the study, certain recommendations, which include among others, improvement of hybrid species (both plant and animal), provision of complementary inputs, and direct involvement of government in the business of agriculture—for agriculture; and scaling up funds voted for tourism, relaxing the stiff conditionality associated with acquisition of tourism visa, and using state-of-the-art facilities at all tourism sites—for tourism, are put forth for policy.

Keywords: Nigeria, oil, diversification, agriculture, tourism

1. Introduction

Despite abundant natural and human resources, Nigeria remains a poor country. Up to the end of the 1960s, the country was self-sufficient in food production and even a net exporter of agricultural produce. Since the early 1970s however, as oil became a major foreign exchange earner and contributor to GDP, other sectors of the economy especially agriculture and manufacturing, have been relegated to the background. The result is that the non-oil sector of the economy has stagnated, while crude revenues have not been managed effectively to stimulate desired growth levels and sustainable economic development.

In order to address the problems inherent in the economy, a number of programmes have been put in place by various governments. Notable among these is the Structural Adjustment Programme (SAP) of 1986. One of the objectives of SAP was to “restructure and diversify the productive base of the economy,” with a view to reducing dependence on the oil sector and imports. However, although Nigeria has made some effort towards achieving economic recovery, the full-anticipated benefits are far from being realised. Various studies such as those by Onoh (1973), Iniodu (1995) and Olakitan (1998) unanimously point to the deviation away from the non-oil sector of the economy to a mono-economy largely dominated by oil, as responsible for the despicable performance recorded by the Nigerian economy over the years.

The near total dependence on a mono product (oil), which operates on a quota system, has rendered the Nigerian economy vulnerable to fluctuations in world prices of petroleum and its products (Iniodu, 1995). The diversion of attention from agriculture—which was once the mainstay of the economy, came because of the favourable oil shocks of

1970s. This ushered in the era of ‘oil boom.’ As submitted by Adubi (2004), this popular Dutch disease syndrome made agricultural products less competitive and led to importation of cheap agricultural food and capital items.

Albeit so much has been said regarding the compelling need for Nigeria to urgently diversify its economy, there is paucity of research in this area. More so, no known study has incorporated tourism—which is a thriving sector in Nigeria, as an option for diversifying the economy. Therefore, using the descriptive approach, this study aims at filling this research gap by taking a sweeping look at two sectors that are critical for diversifying the nation’s economy. The paper is divided into four segments. Following the introduction, is part 2, which presents a historical overview of Nigeria’s petroleum sector. Section 3 discusses the two imperatives while section four concludes the paper.

2. A Historical Overview of Nigeria’s Petroleum Sector

The development of the petroleum industry in Nigeria began in the first decade of the last century. It started with exploration activities by the German Bitumen Corporation. In 1937, an oil prospecting licence was granted to Shell D’Arcy Exploration Parties. Mobil Exploration Nigeria Incorporated in 1955 obtained concession over the whole of the Northern region of the country. This company carried out some geological work, drilled three deep wells in the former Western region and abandoned the concession in 1961.

However, the first commercial discovery of crude oil in Nigeria was in 1957 by Shell. In 1958, the company started production. The Federal Government in 1961 issued ten oil-prospecting licences on the continental shelf to five companies. Each licence covered an area of 25,600 square kilometres and was subject to the payment of ₦1m. With these generous concessions, full-scale on-shore and offshore oil exploration began. Oil was discovered in commercial quantities at Oloibiri in the Niger Delta. Further discoveries at Afam and Boma established the country as an oil-producing nation.

The first oil well on the Nigerian continental shelf was struck by Gulf Oil Company (now Chevron), at the Okan field, off the coast of Bendel (present day Delta State). More offshore wells had been drilled by other companies (such as Agip, Elf, Mobil, etc.), and production rate rose steeply year after year though the global oil glut of 1980s stemmed the trend. It is important to point out that because of the need to conserve foreign exchange, create job opportunities to some extent, in addition to other multiplier effects derivable from setting up refineries locally, the Federal Government in 1962 awarded a contract for the construction of a refinery at Alesa-Elеме, near Port Harcourt. The refinery was commissioned in 1965 with an initial designed production capacity of 350,000 barrels a day. This volume was considered insufficient to meet domestic consumption of products for many years to come.

Between 1970 and 1978, the nation experienced an upsurge in demand for petroleum products, averaging a yearly increase of 23.4%. Thus in 1978, the Warri refinery was officially opened with a capacity of 260,000 barrels per day. A fourth refinery has been constructed near Port Harcourt. The Federal Government uses some of the products from the refineries as feedback in its petrochemical projects located at Ekpan, Port Harcourt and Kaduna.

It suffices to state that in spite of the huge investments in the various refineries and their appendages, the country remained bereft of regular supply of petroleum products—with queues at filling stations across the nation being the order of the day for many years, until in mid-2010 when the situation began to improve. This shortfall is largely attributed to the general weakness that characterise the petroleum industry in Nigeria.

3. The Concept of Diversification

Diversification implies “movement into new fields and stimulation and expansion of existing traditional products.” Diversification does not discourage specialisation, but requires that resources be channelled into the best alternative uses (see Ayeni, 1987; Iniodu, 1995). In macroeconomic planning, diversification promotes growth and development through the mobilisation of savings from surplus sectors for use in the development of deficit sectors of the economy.

Options for diversifying an economy abound, such as agriculture, entertainment, financial services, industrialisation, information and communication technology, tourism, etc. However, it is worthy to note that country-specific circumstances ought to as a matter of necessity, be considered. This is cogent, since due to structural differences, a model that fits an economy perfectly well may prove irrelevant in another. With a major objective of diversifying the productive base of the Nigerian economy with a view to reducing dependence on the oil sector, this study zero in on ‘agriculture’ and ‘tourism,’ as imperatives. The choice of this dual approach is informed by the huge successes recorded by some Asian countries—which are collectively referred to as ‘Asian Tigers’—in applying these imperatives, as well as the fact that these countries were basically at the same level of national development with Nigeria, at the time of their respective take-off and still share certain similarities with Nigeria. The effects of diversification in an economy (if properly carried out), is represented in Figure 1.

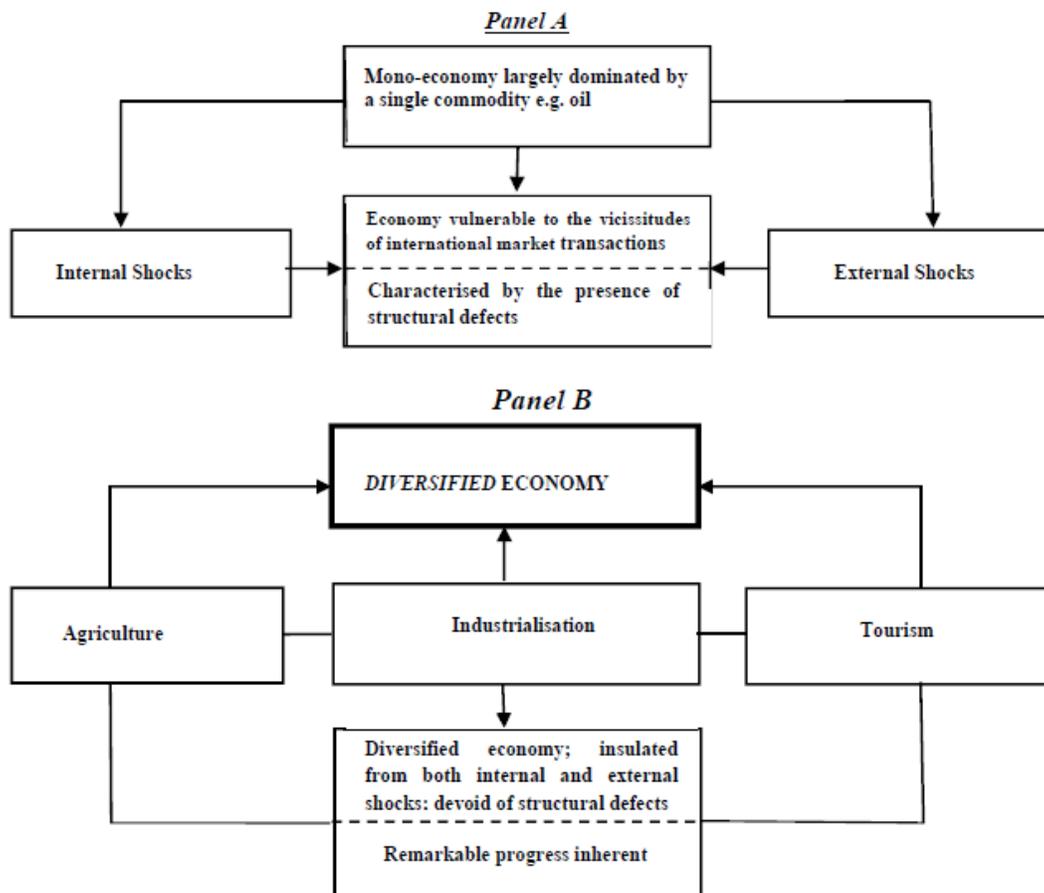


Figure 1. Schema showing the effects of diversification on an economy

Source: Authors

The above schema paints a picture of possible impacts of diversification on an economy. It is explicit as shown in *panel A* that dependence on a single commodity, for instance, oil, in the case of Nigeria, the economy is prone to both internal and external shocks, which ultimately result in structural defects. As posited by Ayeni (*op. cit.*), the reason for such defects is anchored on the fact that in the event of any deficit, there will be no other sector(s) to mobilise surpluses for use by the deficit sector(s).

Given the shift (total or partial)—but in most cases partial, away from a single item to other sectors of the economy (i.e. agriculture and tourism) as reflected in *panel B*, the economy tends to be insulated from shocks. Assuredly, the economy becomes devoid of structural defects and *ceteris paribus*, this brings about an appreciable level of progress. An in-depth analysis of the two sectors heretofore mentioned is presented in the ensuing sections.

4. Dual-Imperatives for Diversifying the Nigerian Economy

4.1 Agriculture

Agriculture involves the cultivation of land, raising and rearing of animals for providing food for human consumption, raw materials for industries and feed for animals. It is composed of crop production, livestock, forestry and fishing. Agriculture was the mainstay of Nigeria up to the period oil was discovered in commercial quantity, with the first export dating back to the 16th century when James Watt and his crew shipped 32 barrels of palm oil along with 150 elephant tusks and 589 sacks of pepper from Nigeria to England (NTJ, 1967:53).

The place of agriculture in Nigeria's economy has remained critical over the decades. Prior to the political crisis of 1967-1970, agriculture's positive contributions to the economy were instrumental in sustaining economic growth and stability. The bulk of food demand was satisfied from domestic output, thereby obviating the need to utilise scarce foreign exchange resources on food importation. Stable growth in agricultural exports constituted the backbone of a favourable balance of trade. Sustainable amounts of capital were derived from the agricultural sector through the imposition of several taxes and accumulation of marketing surpluses, which were used to finance many development

projects. A typical example is the first Nigerian skyscraper – the cocoa house in Ibadan, which was built with proceeds from the sale of cocoa. However, the crisis that developed in Nigerian economy during the civil war became more serious in the early 1970s, which coincided with the rising fortunes of the petroleum sector. From that period to date, agriculture's contributions to the economy became relatively insignificant. This development is reflected in rising food prices and inflation, increased imports of food and agricultural raw materials for local industries, a relative decline in agricultural export earnings and deteriorating living conditions in the rural areas. The sector, which employed 71% of the total labour force in 1960, employed only 56% in 1977. The number stood at 68% in 1980, falling to 55% in 1986, 1987 and 1988; and 57% annually from 1989 to 1992, and has continued to nosedive until date.

Ojo (1994) classified the problems associated with Nigerian agricultural development into six groups, namely: environment, land, labour, capital, technology, and marketing. The above constraints have implications for agricultural productivity in Nigeria. For instance, they make productivity in the agricultural sector very low. The fundamental problem is thus how to improve productivity.

4.1.1 The Role of Agriculture in the Economic Development of Nigeria

The traditional approach to the role of agriculture in economic development is formulated in terms of the contributions the agricultural sector can make or the functions it can perform during the process of economic development (Anyanwu *et al.*, 1997). As stated by Reynolds (1975), agricultural development can promote the economic development of the underdeveloped countries in four distinct ways by: increasing the supply of food for domestic consumption and releasing the labour force needed for industrial employment; enlarging the size of the domestic market for the manufacturing sector; increasing the supply of domestic savings; and providing the foreign exchange earned by agricultural exports.

According to Omawale and Rogrigues (1979),

agriculture has been assigned an important role in national development by most developing countries. It has been seen as a means of reducing dependence on certain importations, containing food price increases, earning foreign exchange, absorbing many new entrants to the labour market and increasing farm incomes at times of severe unemployment and rural poverty.

Agreeing with the above views, Johnston (1970) submitted that the appraisal of agriculture's contribution or role in the national economy can be made using four criteria, namely: the proportion of the population engaged in agriculture; the share of agriculture in the Gross Domestic Product (GDP); the proportion of the nation's resources (other than labour) devoted to or employed in agricultural production; and the contribution of the agricultural sector to foreign trade. The ensuing section appraises some agriculture parameters as reflected in their contribution to the overall development of the Nigerian economy.

4.1.2 Appraisal of Some Agriculture Parameters

4.1.2.1 Agriculture and Employment

A World Bank Report (1970) puts it that the agricultural sector employed 71% of the total labour force in Nigeria in 1960. By 1977, this had dropped to 56%. It increased to 68% in 1980, before falling to 55% in 1985, 53% in 1986, 55% in 1987 and 1988, and 57% annually from 1989 to 1992. This downward trend has continued into the 2000s.

The fall in the labour force has been due to structural changes in the economy where other sectors are assuming different dimensions and engaging more labour than they previously did. It is necessary to point out that given the importance of labour in agriculture of most African countries including Nigeria, and the poor labour absorptive capacity of their industrial sector, rapid outflow of labour from the agricultural sector has generated not only social but economic problems as well. A partial consequence of high labour outflow, especially the youth labour force, which Essien (2008) refers to, as "the life-wire of agriculture" from agriculture, has been a decline of agricultural production in Nigeria in recent years. Enhancement of agriculture labour productivity should therefore be a goal for the country.

4.1.2.2 Agriculture and Gross Domestic Product (GDP)

Table 1 shows the contributions of agriculture to GDP of Nigeria between 1960 and 2010. One of the dogmas of economic development—"that there is a secular decline of agriculture's share in the GDP in the course of economic development," is manifested here. This is portrayed by the decline in the relative share of agriculture in GDP over the years.

Table 1. Nigeria: contribution of agriculture to GDP [1960-2010 (₦m)]

Year	Total GDP	Agriculture as a share of GDP	Share of Agriculture as % of total GDP	Share of Agriculture as a % of total GDP (Growth Rate)
1960	2,489.0	1,599.8	64.27	-
1965	3,146.8	1,742.2	55.36	-8.91
1970	4,219.0	1,887.7	44.74	-10.62
1975	27,172.0	7,639.4	28.11	-16.63
1980	31,546.8	6,501.8	20.61	-7.6
1985	201,036.3	65,748.4	32.70	12.09
1990	267,550.0	83,344.6	31.15	-1.55
1991	265,379.1	87,503.5	32.97	1.82
1992	271,365.5	89,345.4	32.92	-0.05
1993	274,833.3	90,596.5	32.96	0.04
1994	275,450.6	92,833.0	33.70	0.74
1995	281,407.4	96,220.7	34.10	0.49
1996	293,745.4	100,216.2	34.12	-0.07
1997	302,022.5	104,514.0	34.60	0.48
1998	310,890.1	108,814.1	35.00	0.4
1999	312,183.5	114,570.7	36.70	1.7
2000	329,178.7	117,945.1	35.83	-0.87
2001	356,994.3	122,522.3	34.32	-1.51
2002	433,203.5	190,133.4	43.89	9.57
2003	477,533.0	203,409.9	42.60	-1.29
2004	527,576.0	216,208.5	40.98	-1.62
2005	561,931.4	213,463.6	41.19	0.21
2006	595,821.6	248,599.0	41.72	0.53
2007	634,251.1	266,477.2	42.01	0.29
2008	672,202.6	283,175.4	42.13	0.12
2009	716,949.7	299,996.4	41.84	-0.29
2010	775,552.7	316,728.7	40.84	-1.00

Sources: (1) CBN Statistical Bulletin, Various Issues

(2) National Bureau of Statistics, Various Issues

As reflected on column 4 of table 1, the percentage share of agriculture to GDP has continued to nosedive starting from 1960—which has a value of 64.27%. 1980 recorded the lowest value of 20.61%. The period 2002 to 2010 recorded some improvements however, with the percentage share of agriculture in total GDP hovering around the 42.05% mark. The percentage growth rates of agriculture as a share of GDP shown on column 5, further confirms this downward trend. In spite of general decline witnessed during the period, some pockets of improvement as recoded by growth rates can be seen dotted here and there.

4.1.3 Past Efforts at Revamping Agriculture in Nigeria

Nigeria's agricultural policy objectives since independence in 1960 have been geared towards: (i) the achievement of increase in productivity; (ii) the achievement of self-sufficiency in food production; (iii) self-sustained growth in agricultural sector; and (iv) the realisation of structural transformation.

In pursuance of these policy objectives, government have adopted the following policies and projects.

Table 2. Major agricultural policies and projects in Nigeria (1972-Date)

S/N	PROJECT	COMMENCEMENT DATE	AREAS OF EMPHASIS
1	Agricultural Development Projects (ADPs)	1972	Extension, supply of inputs and infrastructure
2	Reorganisation of Agricultural Research Institute Decree 33	1973	Emphasis on agriculture research and the establishment of many research institutes
	Research Institutes Establishment Order	1975	
	National Science and Technology Development Agency (NSTDA) Decrees	1975	
3	National Accelerated Food Production Project (NAFPP)	1975	Food production, supply of inputs and new technology to farmers
4	Tree Crop Programme	1975	Tree Crop Production
5	River Basin Development Authorities (RDBAs) Decree 25 (Amended 1977, 1979)	1976	Direct government involvement in agricultural production activities, provision of water and irrigation to farmer settlements, supply of fertilisers and others
6	Farm Input Subsidies and Fertiliser Subsidy Programme	1976	Supply of fertilisers and other inputs
7	Strategic Grains Research Scheme	1976	Storage of grains
8	Operation Feed the Nation	1976	Trying to make everybody a farmer (through subsidies on) fertilisers, livestock products and inputs, fisheries inputs, seeds, etc., to increase production
9	Nigerian Agricultural and Co-operative Bank (NACB)	1973	Establishment of guaranteed loans and other credits to farmers
	The Rural Banking Scheme	1977	
	Agricultural Credit Scheme	1977	
10	Commodity Boards Decree	1977	Establishment of commodity marketing boards e.g. palm products, etc.
11	The Green Revolution Programme	1980	The nation's food production plan
12	Agricultural Policy Initiative and Reforms		
a	Directorate of Food, Roads and Rural Infrastructure (DFRRI)	1986	Construction and repair of rural roads, provision of water and electricity to rural communities
b	Streamlining of RBDAs' economic deregulation and disengagement of government from direct involvement in agricultural production	1986	Reduction in the number of River Basin Authorities
c	Agriculture under SAP	1987	Engagement of small scale farmers
d	Scrapping of Commodity Boards	1987	Reduction of export of commodities
e	Establishment of University of Agriculture Project (UNAAB, UAM)	1988	Promotion of agricultural education, research and training
f	National Agricultural Land Development Authority (NALDA)	1989	For land clearing and mechanisation
g	State-wide Agricultural Development Projects (SADPs)	1991	Promotion and adoption of new technologies by farmers
h	Support for Farmers' Associations and the formation of Federation of Farmers Association of Nigeria (FOFAN)	1992	Encouragement of co-operatives formation and pressure groups
i	Transfer of Agricultural Research Institutes from Federal Ministry of Science and Technology to the Federal Ministry of Agriculture	1992	Government engagement in direct food production

j	Withdrawal of fertiliser subsidies	Mid-1990s	Higher price of fertiliser
13	Agricultural Policies under the Obasanjo Administration		
a	Restoration of fertiliser subsidies at 25%		Encouragement of food production by small- and medium-scale farmers
b	Establishment of Department of Fertiliser, FMA	1999-2002	
c	Food Security and Poverty Alleviation Programme		
14	Agricultural policies under Vision 20-2020	2007-Date	Serve as youth employment spinner (especially youths in rural areas), improving productivity in the agricultural sector

Source: (1) Adapted from Ndon, B. A. (2002), with few modifications by the authors

(2) Federal Republic of Nigeria, *Vision 20-2020 Blueprint*

4.2 Tourism

Hunziker and Krapft (1994), defined tourism as “The sum of the phenomena and relationships arising from the travel and stay of non-residents, insofar as they do not lead to permanent residence and are not connected with any earning activity.” Similarly, the World Tourism Organisation (2008) defined tourists as: “People who travel to and stay in places outside their usual environment for more than twenty-four hours and not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.”

The history of tourism according to Adigun and Awe (2009:9) dates back to the beginning of civilisation. During that time, wealthy people travelled great distances to great buildings or other works of art, to learn new languages, to experience new cultures, and to taste new cuisines. Chief among these travellers were the Romans, who are said to have travelled to a particular resort called ‘Baiae.’ Tourism has gained prominence in recent times, with 17 countries of the world today, using it as their major source of income. As reported by the World Tourism Organisation (WTO, 2008), there were over 922 million international tourist arrivals in 2008, with a growth rate of 1.9% compared to 2007. The report also presented the following ten countries as the most visited from 2006 to 2010 by the number of international travellers: France (312.2m), Spain (226.1m), United States (219.8m), China (208.5m), Italy (170.7m), United Kingdom (119.7m), Germany (97.1m), Turkey (91.6m), Mexico (86.9m), and Malaysia (84.2m). Tourism accounts for one-third of world service trade and employs one in ten workers worldwide (i.e. 10.7%) of global labour force (WTTC, 2002).

Like some other countries, Nigeria has made tremendous effort towards tourism development. As contained in the official website of the Nigerian Tourism Development Corporation (NTDC), states that are at the forefront of tourism development include Cross River, Lagos, Bauchi, Plateau, Ogun and the Federal Capital Territory (Abuja). Cross River State for instance, was able to, during Donald Duke’s administration identify tourism as holding great potentials for driving other sectors of the economy. Accordingly, since the inception of that administration in 1999, the sector began to receive unprecedented investments. Some of the achievements of the administration include:

- i upgrading to international standards, the Obudu Ranch and Marina Resorts respectively, situated in Obudu and Calabar;
- ii installation of a cable car at Obudu Ranch Resort;
- iii construction of the Bebi Airstrip in Obanliku L. G. A.; and the Tinapa Business/ Holiday Resort in Calabar; and
- iv bringing on board the popular Calabar Christmas Carnival.

4.2.1 Types of Tourism

Various forms of tourism abound in the world, but for more clarity, the various types are further classified into two sub-types depending on either ‘purpose’ or ‘location’/ and ‘nationality’ of those engaging in it.

4.2.1.1 Classification Based on Purpose

i Pilgrimage Tourism: Pilgrimage tourism is associated with travelling for religious purposes. Pilgrimages create a variety of tourism aspects that exist such as bringing back souvenirs, obtaining credit with foreign banks and making use of spaces available on existing forms of transport.

ii Pro-poor Tourism: The pro-poor tourism aims at helping the very poorest in developing countries. It has been receiving increasing attention by those involved in development and the issue has been addressed either through small-scale projects in local communities and Ministries of Tourism attempting to attract huge number of tourists. Successful examples of this, where money reaches the poor include mountain climbing in Tanzania or cultural tourism in Luang Prabang, Laos.

iii Ecotourism: Ecotourism, also known as ecological tourism, is responsible travel to fragile, pristine, and usually protected areas. It helps educate the traveller, provide funds for conservation; directly benefits the economic development and political empowerment of local communities; and fosters respect for different cultures and for human rights.

iv Educational Tourism: Educational tourism developed because of the growing popularity of teaching and learning of knowledge and the enhancing of technical competency outside of the classroom environment (Adefala, 2003). In educational tourism, the main focus of the tour or leisure activity include visiting another country to learn about their culture, such as Students Exchange Programmes and Study Tours, or to work and apply skills learned inside the classroom in a different environment.

v Niche Tourism: This include physical activity or sports-oriented adventure tourism such as mountaineering and hiking (tramping), the backpacker tourism, the sport travel for golf and scuba diving and extreme tourism for people interested in risky activities. There are many variants of Niche tourism such as dark tourism, free independent tourism, pop-culture tourism, shopping tourism, sacred travel or metaphysical tourism and space tourism.

4.2.1.2 Classification Based on Geographical Location

In 1994, the United Nations in its “Recommendations on Tourism Statistics,” classified tourism into three forms, namely:

- *Domestic tourism*, involving residents of the given country travelling only within the country.
- *Inbound tourism*, which involves non-residents of the given country travelling only within the country.
- *Outbound tourism*, involving residents travelling to another country.

4.2.2 Major Tourism (Attractions) in Nigeria

Tourism attractions abound in Nigeria. Some of the major ones are classified hereunder.

a. National Parks

- i Yankari National Park, Bauchi State;
- ii Cross River National Park (made up of two sectors situated in Akampka and Boki Local Government Areas) of Cross River State;
- iii Kanji Lake National Park, Kwara/ Niger States;
- iv Old Oyo National Park, Oyo State;
- v Chad Basin National Park, Bornu/ Yobe States;
- vi Kamoku National Park, Kaduna State;
- vii Okomu National Park, Edo State;
- viii Gashaka Gumte National Park (made up two sectors; Gashaka and Gumte. Lies between Adamawa and Taraba states and the North-East region of Maiduguri, Jalingo, Yola and Republic of Cameroon).

b. Waterfalls

- i Erin Falls, Ekiti State;
- ii Kwa Falls, Cross River State;
- iii Owu Falls, Kwara State;
- iv Agbokim Falls, Cross River State;
- v Gurara Falls, Niger State;
- vi Farin Nuwa Falls, Nasarawa State;
- vii Kura Falls, Plateau State.

c. Beaches and Springs

- i Lamuda Hot Spring, Adamawa State;
- ii Ikogosi Hot/ Warm Spring, Ekiti State;
- iii Badagary Bar Beach, Lagos State;
- iv Lekki Beach, Lagos State.

d. *Others*

- i Tinapa Leisure/ Business Resort, Cross River State;
- ii Obudu Ranch Resort, Cross River State;
- iii The Annual Calabar Christmas Carnival, Cross River State;
- iv Playfield Resort, Jos, Plateau State;
- v The National Theatre, Iganmu, Lagos State;
- vi Olumo Rock, Abeokuta, Ogun State;
- vii Argungu Fishing Festival, Kebbi State;

viii Some 5-Star Hotels e.g. Sheraton Hotel (Abuja and Lagos), Transcorp Hilton (Abuja), Federal Palace Hotel (Lagos); and various museums in Ife, Benin, Lagos, Jos, Sokoto, etc.

4.2.3 Efforts towards Tourism Development in Nigeria

Overtime, Nigeria has made tremendous effort towards developing tourism. Not left out in this drive are the various states and local government areas. The hallmark of these efforts was the putting in place a tourism policy in 1991, with the primary aim of making the country a prominent tourism destination. In addition, the policy aims at helping the operation of tourism activities in order to make the industry more attractive to both local and foreign investors. In a bid to ensure that Nigeria's tourism works out well, certain institutions were set up. These institutions include:

i The Nigerian Tourism Development Corporation (NTDC): This is the apex tourism body which is responsible for promoting and marketing tourism in Nigeria. Through the publication of certain books and brochures, information on the industry is given out both locally and internationally. The corporation also gives general guidelines for the smooth operation of the industry. It works with the private organizations and other tiers of government in carrying out policy directives and executing tourism projects.

ii The Federal Ministry of Culture and Tourism: The institution relates with state governments and international agencies and is headed by a minister.

iii The National Council on Culture and Tourism: Ensures the coordination of national planning and development of tourism in the federation. The council meets every year to discuss and perfect modalities for tourism management and is headed by the Federal Minister of Culture and Tourism.

iv. The State Ministry of Culture and Tourism: Each state institution carries out policies and directives from the Federal Ministry of Culture and Tourism. They also organize projects for tourism development in different states.

v. The State Tourism Board: The board operates in every state of the federation. Such bodies in each state help to identify, preserve, protect and develop tourism resources in their various domains.

vi. The Local Government Tourism Committee: This projects and promotes tourism at the grassroots level. Their job is to locate and identify those places that can become tourist attractions in their areas. The committees also serve as information centres. They preserve and maintain monuments and museums in their areas. They also provide tour guides and escorts for attraction areas in their localities. A Chairman heads each local government tourism committee.

Table 3. World tourism indices (some selected countries) in 2008

Countries	Travel and Tourism Industry GDP			Travel and Tourism Industry Employment		
	US \$ (Million)	% of total GDP	Growth (%)	Thousand	% of total employment	Growth (%)
Antigua and Barbuda	117.0	16.8	8.4	6.8	15.0	3.7
Australia	18,669.2	4.3	3.0	402.8	4.7	1.3
Brasil	17,467.3	3.1	5.9	2,321.0	3.2	-1.9
Cameroon	210.7	1.9	5.7	70.2	2.0	4.1
Canada	30,791.6	4.6	4.5	744.8	5.0	3.4
China	27,387.1	2.4	4.2	14,307.0	2.0	2.
Curacao	85.2	2.6	7.1	18.8	2.9	3.8
Egypt	5,544.0	5.5	25.8	693.4	4.9	17.9
France	68,159.8	4.3	-0.4	1,193.1	4.3	-1.3
Germany	61,556.4	2.6	6.2	736.4	2.1	4.8
Ghana	374.7	4.2	4.1	139.2	3.1	2.8
India	11,334.0	2.5	9.2	8,410.4	2.7	4.5
Indonesia	5,431.5	2.8	-31.2	1,732.2	2.3	-6.0
Malaysia	3,195.2	3.8	7.9	285.3	3.2	3.7
Mexico	13,049.8	2.6	-1.0	863.2	2.8	-1.2
Nigeria	734.7	1.7	6.7	723.7	2.5	5.9
Philippines	3,170.6	3.7	-5.9	999.4	3.3	1.1
Sao Tome and Principe	1.5	3.4	9.9	1.8	4.8	8.6
Saudi Arabia	3,921.1	2.3	-1.4	131.7	2.1	1.0
Senegal	187.8	3.5	11.2	74.0	3.4	6.8
Singapore	4,198.7	4.5	-7.1	59.8	3.1	4.3
South Africa	5,146.1	3.6	1.8	337.2	3.4	6.5
Thailand	8,421.7	6.3	-3.6	1,623.5	5.0	6.5
United kingdom	70,228.1	4.7	2.9	1,366.2	4.9	1.7
United States	496,358.3	5.1	4.0	7,629.4	5.6	1.6

Source: World Travels and Tourism Council: Tourism Satellite Accounting Research Estimates and Forecasts for Governments and Industry, London, 2008

Table 3 gives GDP and employment levels of travels and tourism industry in some select countries of the world. Of the various countries surveyed, Nigeria had the lowest value of 1.7% as share of total GDP (in real terms) and ranked 20th out of 25 countries with a value of 2.5% as contribution to employment. The highest GDP-values of 16.8 and 6.3% were recorded by Antigua and Barbuda and Thailand respectively. Out of 25 countries surveyed, 7 were from the African continent; Egypt recorded the highest GDP value of 5.5%. Given Nigeria's present unemployment situation, which stood at 18 million people in 2011 (NBS, 2011 cited by Ekpo, 2012), it behoves the various stakeholders to key into the enormous opportunities that abound in the tourism sector, to boost employment in that sector and ultimately the economy.

4.2.4 Factors Militating against Large-scale Tourism Development in Nigeria

- i *Problem of Funding:* Establishment of facilities and infrastructure such as roads, hospitals, hotels, potable water, electricity, airports, etc., in and around tourism sites have been inadequate in Nigeria, owing to very meagre resources often voted for tourism development. This has a negative impact on the overall development of tourism in the country.
- ii *Problem of Acquiring Tourism Visa:* Acquiring visa (especially tourism visa) is associated with certain stringent conditionality. The problem of acquiring tourism visa affects the smooth running of the tourism industry.

- iii *Poor Publicity*: Inadequacy of efficient publicity to keep both national and international tourists abreast of existing tourist destinations, keep prospective tourists away.
- iv Tourism can bring about increased competition for limited resources such as water and land, resulting in land degradation, loss of wildlife habitats and deterioration of scenery.
- v Many jobs in the tourism industry are poorly remunerated. This is a peculiar problem in Nigeria, where tourism experts move to other areas in pursuit of greener pasture, and where the local workforce lacks the skills to fill available positions.
- vi Fear by tourists (especially foreign tourists) of infection by some tropical diseases e.g. malaria and sleeping sickness, also militates against tourism development in the country.

5. Policy Recommendations

For policy, the following recommendations are put forth.

5.1 Agriculture

- i Effort should be geared towards improvement of hybrid species (plant and animal) that are not vulnerable to vagaries of the weather. In addition, complementary inputs such as irrigation, fertiliser, insecticides, credit and agricultural extension services should be extended to local peasants and not merely to a few rich farmers.
- ii Since it is widely observed that land reform is a necessary first condition for agricultural development in most LDCs, it therefore behoves the Nigerian government to rigorously engage in land reformation. This would help to solve the problems associated with land tenure—especially agricultural land.
- iii Living conditions in local communities, where agriculture is mainly carried out, should be improved. Amenities such as good road network, electricity, potable water, vehicles, etc., should be made available and accessible to the local people. This would help to check the problem of rural-urban drift, which often results in a limited supply of agricultural labour.
- iv Technological change and innovations in farm practices is imperative. Like in ‘land reform,’ new agricultural technologies and innovations in farm practices are preconditions for sustained improvements in levels of output and productivity, especially in LDCs.
- v Government should get more directly involved in the business of agriculture. Effort should be geared towards establishing large-scale government-owned farms in every state of the federation including the FCT, as a necessary first step, to augment the current shortfall in agricultural output, as well as the much needed leap to employment.
- vi The problem of research and development (R & D), which is largely lacking in the sector should be addressed. This could be achieved by setting up different R & D centres, where agricultural labour would be developed. The provision of machineries such as tractors, ploughs, harvesters, etc.; spare parts, storage facilities, credit/ soft loans to farmers, would go a long way to bring about the much-needed inroads in the agricultural sector.

5.2 Tourism

- i Funds voted for tourism should be scaled up. Infrastructure around tourism sites such as hotels, roads, etc., should be improved to meet international standards. Such facilities should be increased to check the problem of increasing competition for them, which is often brought about by influx of tourists.
- ii The stiff conditionality associated with visa acquisition should be relaxed for tourism visa.
- iii Steps should be taken by the foremost tourism agency in the country, the NTDC in conjunction with the various tourism ministries, councils and boards, to come up with a comprehensive compendium of the various tourism sites and attractions available in the country, which should be given wide publicity both domestically and internationally, using the internet, various Nigerian embassies and high commissions, as well as other means of information dissemination.
- iv Personnel involved in the business of tourism (especially tourism experts) should be well remunerated in order to reposition them for better services in the industry.
- v Using state-of-the-art facilities, tourism attractions and their appendages should be vigorously updated and packaged to meet international standards. Vigorous research into contemporary tourism attractions should be carried out and subsequently incorporated into existing ones, to avoid saturation.

vi Periodic aerial spraying of tourism sites and their environs should be carried out by government and other stakeholders to help attenuate the problem of tropical diseases such as malaria, etc. This act should be incorporated in the compendium mentioned in (iii) above.

5.3 Conclusion

Nigerian economy has performed dismally since oil was first discovered in commercial quantities. Several attempts aimed at reversing this trend have been made but to no avail. Considering the inroads made during the non-oil era and Nigeria's peculiar circumstances, the authors proposed diversification of the economy—i.e. paying more attention to other sectors of the economy as a necessary first step towards a more robust economy. Two options—agriculture and tourism were considered. It is argued that diversification has the tendency to promote growth and development through the mobilisation of savings from surplus sectors for use in the development of deficit sectors of the economy. This is not possible in a monotype-economy.

Recommendations aimed at repositioning the two sectors for optimum performance that would bring about the needed development are put forth. They range from land reform, technological change and innovations in farm practice, etc., in the case of agriculture; and better funding, relaxing of the stiff conditions associated with acquiring tourism visas etc., for tourism, to mention a few.

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