Direct Research Journal of Public Health and Environmental Technology
Vol. 7(4), Pp. 52-57, April 2022
ISSN 2734-2182
DOI: https://doi.org/10.26765/DRJPHET47608051
Article Number: DRJPHET47608051

https://directresearchpublisher.org/drjphet/

*Full-Length Research Paper*

# Assessment of Government Investments and Participation in Tourism Development in Cross River State, Nigeria

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Received 8 March 2022; Accepted 6 April 2022; Published 11 April 2022

**ABSTRACT:** The investigation focuses on the evaluation of government investments and participation in tourism development in Cross River State Nigeria. Secondary data were obtained from the State Tourism Bureau from 2010 to 2020.The data depicts Cross River State's yearly budgetary allocation for tourism development. The obtained data was analyzed using simple percentages. The hypothesis was tested using one-way analysis of variance (ANOVA). For the analysis, the statistical package for social sciences (SPSS) version 20 software was used. The hypothesis that there is no statistically significant difference in government investment in the tourism sector from 2010 to 2020. The findings show that there is no statistically significant difference in the government's investment in the operations and activities of the Cross River Tourism Bureau from 2010 to 2017 ($P = 0.514 > 0.5$). The scenario was similar for government investment in Cross River State Carnival Commission ($P = .854 > 0.05$) and Marina/Tinapa International ($P = .400 > 0.05$). Only government in Cross River State Commission showed to have statistically significant difference ($P = .037 < 0.05$). based on these results, the null hypothesis was sustained that there is no significant difference in governments investment in the tourism sector from the year 2010 to 2017.

**Keywords**: Investment, participation, tourism, and development

## INTRODUCTION

Over the last 50 years, the tourism industry has grown to become one of the fastest growing industries in the world, as well as a major source of employment and capital growth in societies. In the early stages, regional (or national level) tourism authorities were in charge of planning, promotion, and the smooth operation of the tourism industry. The hospitality industry is a major employer of labor in the world, providing jobs for both educated and uneducated individuals. Because of its economic importance to the development of the economy, various nations around the world have made numerous efforts to make the tourism industry sustainable. To stimulate economic status, governments at the global, continental, national, state, and local levels must invest significantly in the development and sustainability of the tourism industry.

In terms of investment, WTTC (2015) claims that the leisure industry contributed 2.8 percent to global GDP in 2010, provided 259 million job opportunities, and accounted for 4% of global investment. In addition to ancillary effects, the WTTC estimated that the hospitality industry contributed nearly US$6 trillion globally in 2011.

In 2011, the hospitality industry was estimated to be worth US$652.4 billion, with a forecast of US$1.5 trillion by 2021. (WTTC Council and Oxford Economics, 2011). According to the WTTC, total voyage and sightseeing-related speculations totaled nearly $612 billion in 2010 and are expected to reach $652 billion in 2011, accounting for 4.5 percent of global speculation. In 2010, African voyage and hospitality speculation accounted for 9.2% of total speculation, or $1.2 billion, and is expected to reach $2.7 billion by 2020. (Shanna, 2010).

The hospitality industry employs more than one-fifth of the world's workforce and is the primary source of international exchange for more than 70 developing countries and half of the world's least developed countries (UNCTAD, 2010). Tourism benefits developing countries in particular because it promotes progressive economic, environmental, and job-creation policies while also preserving indigenous culture through the celebration of indigenous arts and traditions, the abolition of unemployment, and the promotion of environmental conservation (eco-friendly substitute for livelihoods).

In the 1980s, Tanzania's "gross tourism receipts accounted for less than 10% of total export earnings." By 2000, tourism had surpassed coffee and cotton as the leading export earner, accounting for more than 35 percent of total goods and services exports" (UNCTAD, 2010). South Africa, Kenya, Brazil, and India invest a significant amount of money each year to maintain tourism development and maximize the benefits associated with the tourism industry.

Despite the recreational potentials in various states, government investment in the development of the tourism industry appears to be low in Nigeria due to infrastructural decay, low tourist arrivals, and low income. Despite the fact that there are several relaxation spots with sufficient carrying capacity for all indoor and outdoor activities, unique wildlife, large areas of untouched natural environment ranging from tropical forest to waterfalls, and rapidly developing urban societies that are mostly well-known in the country but not properly channelled (Egbaji, 2007).

Others include traditional ways of life preserved in local traditions, a wealth of and diverse creativity displaying or illustrating the people's nature, art, and lifestyle, as well as many Nigerians' inexperienced but pleasant viewpoint. Cross River State thrives and is well-prepared for a variety of tourist attractions, including mountain climates, waterfalls, historical caves, and rich bio-diversity, including lowland gorillas, amazing cultural diversity, beautiful local creativity, a limited number of agricultural products, and warm hospitality (Egbaji, 2007). With an abundance of the above-mentioned infinite hospitality features and a lack of industrial power, the hospitality industry may be a viable source of income in Cross River. Hospitality, as a welcoming and income-generating industry, cannot be regulated as a separate sector.

The government continues to be a major force in the hospitality industry. The government, which is responsible for the development of social amenities for society, has spent extra time improving the state's tourism amenities, among other things. Despite the government's investment in the tourism industry's survival, the sector continues to suffer from low tourist patronage, infrastructural decay, and a poor property management system, among other issues. This study was conducted under these conditions.

The researcher seeks answers to certain critical questions based on the tourism sites visited during the preliminary survey, such as the level of administrative involvement in vacation industry improvement. How long will the government's investment in tourism development last if it is made at all?

Does the state include tourism development investment in its budgetary allocation? Are government agencies such as the Tourism Bureau and the Carnival Commission sufficiently empowered to carry out tourism development projects in the state during the period under review? Is there any impact of this funding on the enhancement of travel and vacation agencies in the study area?

It is worth noting that several studies on the same subject have been conducted, including Akama (2002), Rosentraub and Joo, (2009), and Bakan and Bosnic (2012), but none of these have assessed the level of government investment in enhancing the hospitality sector in Cross River State, which informed the quest to conduct this study in order to assess government investment and tourism development in Cross River State, Nigeria. As a result, the current study examined the impact of government investments in the tourism industry in Cross River State from 2010 to 2020.

## MATERIALS AND METHODS

### Study area

Cross River State lies between longitudes $7^0$50 and $9^0$28’ East of Greenwich, and Latitudes $4^0$28’ and $6^0$55’ North of Equator. Cross River State adjoins Cameron boundary by the east, Benue State via North, Ebonyi and Abia States via west, Akwa Ibom State in the south west and the Atlantic Ocean at South (Figure 1). Several events and festival that are usually held in the State and have overtime attracted local and international tourists to the state all year round. Some notable ones are: The State holiday Christmas Festival which span for 31 days with several events which takes place throughout the month of December; Carnival Calabar fiesta; Leboku/Yakurr International New Yam; the annual Boat Regata; Anong Bahumono cultural festival and Ediba Bahumono cultural festival among others. In addition, Cross River State is


**Figure** 1: Map of the study area showing Cross River State
**Source**: Department of Geography and Environmental Science (2020).

blessed with diverse tourism destinations and attraction sites which have attracted high tourist traffic to the state. The destination spans from the plateaus of Obanliku, which has beautiful landscape, reserves, natural swimming pool, and in Boki Local Government Area, there are virgin forest which serve as a sanctuary for the Drills and other forms of both floral and Fiona diversities. Further, in Etung LGA, there is some awesome waterfalls of Agbokim and "Kwa to the spiralling ox-bow Calabar River which provides sights and images of the Tinapa Business Resort, Calabar Marina, Calabar Residency Museum and the Calabar Slave Park along its course". Apart from the afore-mentioned destinations and attraction sites, each local government area is rich with events, festivals and attraction site that meet the expectations of tourist during their stay in the state and influence their repeat visit. The State is also known for its hospitality and tourism related activities, such as the Carnival Calabar, which is referred to as the "Africa's Biggest Street Party".

### Method of data analysis

The study relied on secondary data of government investments in tourism development from 2010 to 2020 obtained from the State Tourism Bureau. The data showed the yearly budgetary allocation of Cross River State to tourism development. Data obtained was analyzed using simple percentages, tables, arithmetic mean, time series analysis and bivariate regression. The Statistical package for Social Science (SPSS) Version 20 software was used for the analysis.

## RESULTS AND DISCUSSION

### Government investments in tourism development

The total budgetary allocation in Cross River State from 2010 to 2020 is shown in (Table 1). The result indicated a significant variation in the state budget earmarked for tourism in the state within the years under consideration. It revealed that 2018 recorded the least allocation and 2020 the highest. Effort by Cross River State towards tourism development became intensified in the wake of Donald Duke's administration in 1999, when the tourism sector was identified as a flagship for the socio-economic advancement of the state. That era invested a fortune in the promotion and marketing the tourism potentials of the state and that attracted huge tourist traffic, which in turn boosted the economic profile of the state. Looking at the confirmed 2010 to 2015 tourism budgetary allocation, during the Liyel Imoke's administration, Cross River State government's budgetary allocation for the tourism sector experienced a certain fluctuation in budgetary allocations, this they claimed was as a result of the administration's response to challenges inherited from the immediate past

**Table 1:** Budgetary allocation to the Cross River State tourism sector from 2010-2020.

| Year | Budgetary allocation for tourism (Naira) |
|---|---|
| 2010 | 424,770,072.26 |
| 2011 | 322,525,356.20 |
| 2013 | 578,053,998.00 |
| 2014 | 570,059,123.00 |
| 2015 | 523,964,859.20 |
| 2016 | 360,852,859.20 |
| 2017 | 159,605,634.20 |
| 2018 | 95,132,756.16 |
| 2020 | 3,531,511,335.36 |

Source: Cross River State Accountant General Office, (2021).

administration; which was the huge debt incurred by the previous administration, this effect can be seen in the Table 1 which occurred in the first two years of his administration-2010 and 2011.

As stated by Usani, (20015) the state lost so much in terms of financial investment in the establishment of the Tinapa Resort that has generated much debt from its construction phase. These challenges affected the budgetary allocation to the sector, as debts incurred needed to be paid. However, even with the challenges been faced, the then administration still made efforts to make a steady and reasonable budgetary allocation to the sector by increasing the budgetary allocation in the third year (2013) which can be seen in the (Table 1), although there was a little decrease in the next year (2014), and the year after. In all, as shown in (Table 1), the administration still managed to maintain a steady and reasonable budgetary allocation to the sector. In fact, the administration in response to the challenges faced by the tourism sector and to show their commitment to the sector, designed a strategy to boost the economic status of the state and spell out 7-Point economic plans with tourism been one of them.

In addition, the Imoke's administration concentration regarding tourism principally stemmed from creating multiple sub-sectors in the tourism industry and promoted events and festivals to attract tourist visit to the state during festive and non-festive period. The initiate did not exclude the plans to raise revenue for the state government in general perspective. The principal expectation of that government included: Summit Hills Development, Strategic Tourism Development Framework and Development of Heritage Tourism (Usani, 2015). The result in (Table 1) further showed that from 2016, there was a steady improvement in the investment made to tourism through allocation to the sector after it increased in 2013; the allocation drastically depreciated up to 2018. From 2016, it showed that the sector's budgetary allocation experienced a major decrease compared to previous years as seen in the (Table 1). This drastic decrease occurred owning to the change in government administration and the obvious lack of commitment to the tourism sector on the part of the new government administration. In 2017, the budgetary allocation further decreased by more than 50 percent compared to the previous year and further went down again the year after.

In 2020, the budgetary allocation rose up far above compare to the allocations from previous years, this has been probably as a result of government trying to get back into perspective, the development process of tourism in the state, although reports have it that the increase was only on print and never in capital disbursement. This turn of event largely affected the state of tourism currently. The tourism sector is currently being neglected by the government, its dilapidating infrastructures have been left abandoned, the tourist centers in the state no longer holds their eye-catching and breath-taking effects, in fact, tourists hardly troop into the state. The summary of impact of government investment and areas of their investment is shown in (Table 2). The information revealed that the state government invested in four key tourism agencies, which were Cross River Tourism Bureau, Cross River State Carnival Commission, and Marina Resort/Tinapa International. The analysis captured government financial investment in these agencies from year 2010 to 2017.

Specifically, it was observed that the government invested a total of 20, 393,83 in 2010, and 22,942,151 in 2011, whereas they invested as low as 14,438,286 in year 2012, meanwhile in 2013, their investment was increase a bit to 19,839,869. Further probe into the output of (Table 2) revealed that government spent 17,132,389 and in 2015, the investment was 18,681,868, whereas, the figure for 2016 was reduced to 15,953,005 and in 2017, the government invested 20,562,590. It could therefore be inferred that there is variation in yearly investment in the Cross River Tourism Bureau looking critically at the yearly investment. The result in (Table 2) further revealed that government also invested in Cross River State Carnival Commission to foster sustainable development of tourism sector in the state. In year 2010,

**Table 2:** Summary of government investment in tourism industry.

| Areas of Investment | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|
| Cross River Tourism Bureau | 20,393,83 | 22,942,151 | 14,438,286 | 19,839,869 | 17,132,389 | 18,681,868 | 15,953,005 | 20,562,590 |
| Cross River State Carnival Commission | 22,922,908 | 8,033,526 | 16,844,680 | 19,168,481 | 17,553,270 | 18,889,689 | 17,501,081 | 15,509,391 |
| Cross River State Tourism Commission | 16,701,460 | 14,207,356.42 | 18,342,179.00 | 14,740,937.88 | 20,007,832.89 | 18,879,290.78 | 17,297,813.24 | 20,931,589.7 |
| Marina Resort/Tinapa International | 21,293,386 | 18,065,064 | 15,712,477 | 14,279,354 | 23,426,466 | 16,006,286 | 19,045,609 | 18,727,395 |
| Total | 81,311,584 | 63,248,097 | 65,348,622 | 68,028,641 | 88,119,851 | 72,357,133 | 69,807,508 | 69,730,965 |

Source: Cross River State Accountant General Office, (2021).

government invested 22,922,908. While they also invested only 8,033,526 in the year 2011. Again, in the year 2012, the government invested 16,844,680 and 19,168,481 in the year 2013.

In 2014, the government invested 17,553,270 and 18,889,689 was invested. Whereas, in the year 2015, the government invested the sum of 18,889,689 more so, in year 2016, 17,501,081 was invested in the commission by the government. And finally, in 2017, the government invested 15,509,391. From critical overview of the table analysis, it is evident that the government are not consistent in their investment on yearly basis in the Cross River Carnival Commission over the years under review. Government yearly investment in the Cross River State Tourism Commission also revealed as shown in (Table 2) that in 2010, the government invested 16,701,460 and 14,207,356,42 was invested in 2011. The government also invested the sum of 18, 342,179 in the year 2012 in the Cross River Tourism Commission. Meanwhile, in 2013, the government invested the sum of 14,740,937 as well as 20,007,832 were invested in 2014. Further probe into the table revealed that in 2015, the government invested the sum of 18,879,290 into the commission, while the sum of 17,297,813 was invested in the year 2016 and finally, in 2017, the government invested 20,931,589 into the Cross River State Tourism Commission. From the analysis of the table, it is fit to conclude that government investment in the Cross River State Tourism Commission is inconsistent. This further affirmed the result from the statistical result which revealed that there is variation in government investment in tourism development. Marina Resort/Tinapa international was another tourism agency that the government invested on from 2010 to 2017. Details of the government investment in the agency are captured in (Table 2). In particular, the government invested 21,293,386 in 2010, whereas, 18,065,064 was invested in 2011. Meanwhile, the government invested the sum of 15,712,477 into the agency. In 2012, the government investment in the agency was 15,712,477 and 23,426,466 was invested in 2013. Further analysis of the table revealed that in 2014, the government invested 23,426,466. The same was applicable to government investment in 2015, were the sum of 16,006,286 and in 2016, the government invested the sum of 19,045,609, while in 2017, the government invested the sum of 18,727,395 in Marina Resort/Tinapa International. From the result, it is clear that there is inconsistency in government investment in tourism sector. In a nutshell, the result in (Table 2) revealed that in 2010, the state government invested 81,311,584 in the four tourism agencies, the sum of 63,348,097 was invested in 2011 and in 2012, the four agencies received the sum of 65,348,622. Meanwhile, in 2013, the government invested the sum of 68,028,641 into the four tourism agencies and the sum of 88,119,851 was invested in 2014. Furthermore, the government invested the sum of 72,357,133 in 2015, while, the government invested a total of 69,807,508 into the four agencies in 2016. Finally, a total of 69,730,965 were invested in the agencies from 2010 to 2017. From the analysis, it could be inferred that there is fluctuation in financial investment in tourism sector.

### Test of hypothesis

$H_0$: There is no significant difference in government's investment in the tourism sector from the year 2010 to 2020.

The one-way analysis of variance (ANOVA) was used to test the hypothesis which states that there is no significant difference in government's investment in the tourism sector from the year 2010 to 2020. The variable description for testing

**Table 3:** ANOVA for government investment in tourism.

| | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| Cross River Tourism Bureau | Between Groups | 21353645105821.120 | 1 | 21353645105821.120 | .481 | .514 |
| | Within Groups | 266605743257660.700 | 6 | 44434290542943.460 | | |
| | Total | 287959388363481.900 | 7 | | | |
| Cross River State Carnival Commission | Between Groups | 771180159362.000 | 1 | 771180159362.000 | .037 | .854 |
| | Within Groups | 125761409854017.500 | 6 | 20960234975669.580 | | |
| | Total | 126532590013379.500 | 7 | | | |
| Cross River State Tourism Commission | Between Groups | 21531868694112.080 | 1 | 21531868694112.080 | 7.128 | .037 |
| | Within Groups | 18123759225977.510 | 6 | 3020626537662.920 | | |
| | Total | 39655627920089.590 | 7 | | | |
| Marina Resort/Tinapa International | Between Groups | 7713560934453.120 | 1 | 7713560934453.120 | .820 | .400 |
| | Within Groups | 56440196654170.700 | 6 | 9406699442361.790 | | |
| | Total | 641537575878623.800 | 7 | | | |

the hypothesis is shown in (Table 3). Table 3 shows the output of the ANOVA analysis and whether there is a statistically significant difference between the mean of the variables. The analysis shows that between the year 2010 to 2017, there is no statistically significant difference in the government's investment in the operations and activities of Cross River Tourism Bureau ($p = 0.514 > 0.05$). The scenario was similar for governments investment in Cross River State Carnival Commission ($p = 0.854 > 0.05$) and Marina Resort/Tinapa International ($p = 0.400 > 0.05$). Only government's investment in Cross River State Tourism Commission showed to have statistically significant difference ($p = .037 < 0.05$). Based on these results, the null hypothesis was sustained that there is no significant difference in government's investment in the tourism sector from the year 2010 to 2017. These results imply that there has not been significant improvement in the investments of the government in the tourism sector, especially in the budget expended for Cross River Tourism Bureau, Cross River State Carnival Commission and Marina Resort/Tinapa International.

## Conclusion and Recommendations

The study has shown that government investment in tourism development in the state is not effective as it is expected. The study observes fluctuations in government budgetary allocation for the period under review and this has effects on the development process of tourism in the state. More so, the study observes an appreciable improvement in the funding of the tourism sector and varies at times with some observed declines. The declines in investment hamper tourism development in the state due to its infancy as the sector's development in the state has only just begun. The study recommends based on its findings for more government investments in the maintenance and upgrading of every existing tourism destination in the state for optimal harnessing of the potentials.

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