

Economic Impact of Beach Tourism in Lagos State Southwestern Nigeria

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ABSTRACT

This research study investigated the economic impact of beach tourism in Lagos state using Elegushi beach as the case study, it is a privately owned beach located at Lekki, Lagos state. Data for this research study is obtained through the qualitative research method which includes direct conversation, and personal research that is interviews, observations, and information from tourism employees from the actual source rather than numerical data. The information gathered from both the residents, tourists and staff, combined with a few observations, was regarded as the authentic base for the outcome of this research work. The result obtained from this research study indicates that visitors to the beach age brackets revealed the between ages 31—50 has the highest visiting to the beach. The result indicates that both domestic and foreign tourist visit the beach more in the month of December. The research study examined the employment sources within the beach and the result revealed that restaurants employed more staff than the rest employment sources. From this result also, more revenue was derived from toll gate from the domestic visitors than the foreign tourist while hotel accommodation yields more revenue from the foreign tourist. The Tax profile was examined to see if beach tourism was profitable, the result indicates that beach tourism was 64.5% profitable. In conclusion, Elegushi beach has the potential to attract both domestic and foreign tourist. It also has the ability to generate revenue for the state and the beach owners and create employment for both skilled and unskilled workers.

Key Words: Beach Tourism, Elegushi, Revenue, Employment, Lagos state

INTRODUCTION

Tourism is arguably the largest industry in the world today, and one which continues to grow at an enviable rate. Tourism is estimated to represent over 4 trillion dollars, or 10 per cent of the World's GDP. The industry supplies over 230 million jobs and over \$800 billion in tax revenues internationally (UN/WTO Stat). It is a major generator of foreign exchange revenues and facilitates regional and international trade and investment linkages.

Nigeria has strong potentials for tourism industry such as excellent beaches and islands, mountains and rich biodiversity, interesting wildlife, friendliness and rich social capital among people and its special place in the world history of anti-slavery movement as 'the land of the free.' In 2005, tourism comprised 24% of total exports, albeit marked by a very high volatility in tourism-related revenues. (UN/WTO Stat.) According to World Bank's DTIS (2006), the tourism industry in Nigeria has the potential of growing up to 105mn\$ by 2015 provided that beach subsector once uprooted by the conflict is re-established by opening of sizeable beach resorts and building hard and soft infrastructure necessary for sustaining them. It is true that mass tourism involving tour operators runs the risk of high 'import leakage' ratio out of the host country because of the high import, foreign investment and foreign transaction contents of the industry (Moslem Bagheri 2017).

However, research shows that local labor and capital benefits are reasonably high and it is estimated that approximately 60 per cent of the revenue generated by tourism in Sierra Leone can be retained within the country (The World Bank, 2006). Tourism industry may serve as an income equalizer if handled properly. Nigeria has long suffered from lopsided growth heavily concentrated in the mining sector, which can be attributed to some degree to the violent insurgency that engrossed the country between 1991 to date. Tourism can have direct impacts on the poor through direct employment or indirect linkages with the tourism supply chain (Alberto2014) In fact, the impact of the Terrorism on tourism sector is not to be underestimated. A cluster of beach resorts which accounted for over 80 per cent of the tourists from outside West Africa region was literally torn down in the late 2015.

Therefore this study investigate the economic impact of Elegushi beach to Lagos state Government in particular and Nigeria in particular in terms of job creation, tax payment and revenue collection.

MATERIAL AND METHOD

Study Area

Elegushi Beach is a private beach located at Lekki, Lagos state, south west of Nigeria. The beach is owned by the Elegushi royal family in Lekki, Lagos state. The state is located on the South-Western part of Nigeria on the narrow coastal flood plain of Bight of Benin. It lies approximately on longitude 20 45E and 40 20E east respectively and between latitude 602N to 602N. . It is bounded in the North and East by Ogun State of Nigeria, in the West by Republic of Benin and in the South by the Atlantic Ocean. It is the smallest state in the federation and consists of lagoons coastline and creeks of more than 225kms stretching from Epe in the East to Cotonou in the Republic of Benin. It has five administrative divisions of Ikeja, Badagry, Ikorodu, Lagos Island and Epe collectively referred to as 'IBILE'. It encompasses an area of 358,862 hectares or 3,577sqkm territorially which represents 0.4% of Nigeria territorial landmass of 923,773sqkm. Lagos state has a tropical wet and dry climate that borders on a tropical monsoon climate. It experiences two rainy seasons, with the heaviest rains falling from April to July and a weaker rainy seasons in October and November. The state also experiences a brief relatively dry spell in August and September and a longer dry season from December to March. More so, the monthly rainfall averages over 400mm (15.7in) between May and July and goes down to 200mm (7.9in) in August and September and then in December, it goes down as low as 25mm (1.0in). The dry season comes with the harmattan winds from the Sahara desert, which can be quite strong between December and early February. The highest maximum temperature ever recorded in Lagos State was 37.30Celsius and the minimum 13.90Celsius trees include logwood, mahogany, coconut and oil palm trees (*elaeisguinensis*)

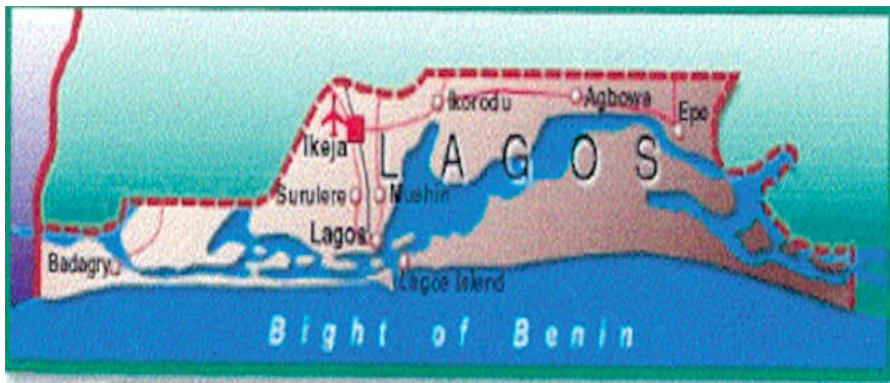


Figure 1, Map of the Study Area



Figure 2, Entrance Gate of Elegushi Beach

Data collection

Data for this research work is obtained through the qualitative research method which includes direct conversation, and personal research. interviews, observations, and information from tourism employees. This research method includes data collection and analysis of quality information from the actual source rather than numerical data (veal2006,. The information gathered from both the residents, tourists and staff, combined with a few observations, was regarded as the authentic base for the outcome of this research work. The reliability and validity of this study was based on the qualitative research method applied which was an extent to which the interview produces the same result on repeated trials. (last,2001.) Semi-structured interview was put to use because it tends to be more descriptive. (Veal,2006. 194.)

The result was analyzed through the use of descriptive method

RESULTS

The result obtained from this study indicates that the visitors to the beach age brackets revealed that between ages 31—50 has highest number of tourists visiting the beach (Table 1). The result indicates that both domestic and foreign tourist visit the beach more in the month of December (Figure 2). The research study examined the employment sources within the beach and the result revealed that restaurants employed more staff than the rest employment sources (Figure 3). From the result obtained more revenue was derived from toll gate from the domestic visitors than the foreign tourist why hotel accommodation yields more revenue from the foreign tourist (Figure 4). The Tax profile was examined to see if beach tourism was profitable, the result indicates that beach tourism was 64.5% (Figure 5).

Table 1: Age Distribution of Tourist to the Beach

Age	Tourist	
	Foreign	Domestic
Below 18	4.2	2.5
18-30	31.7	36.7
31-50	40.8	36.7
51-60	15.8	15.8
Above 60	7.5	8.3

Field survey 2017

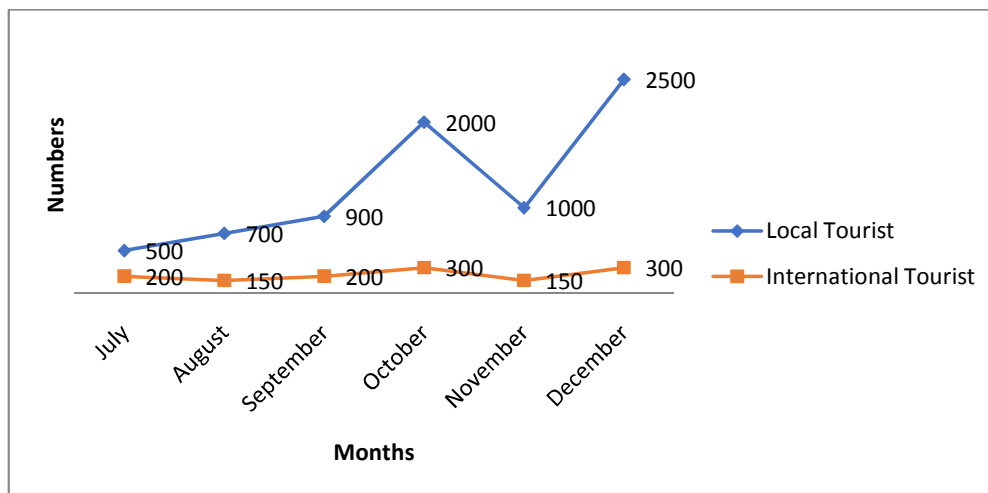


Figure 3: Number of Tourist that visit the Beach during the Period of the Study

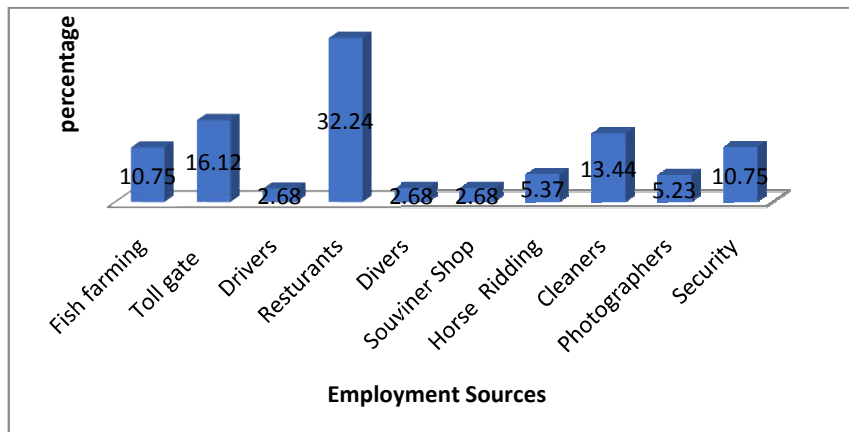


Figure 4: Employment Sources within the Beach

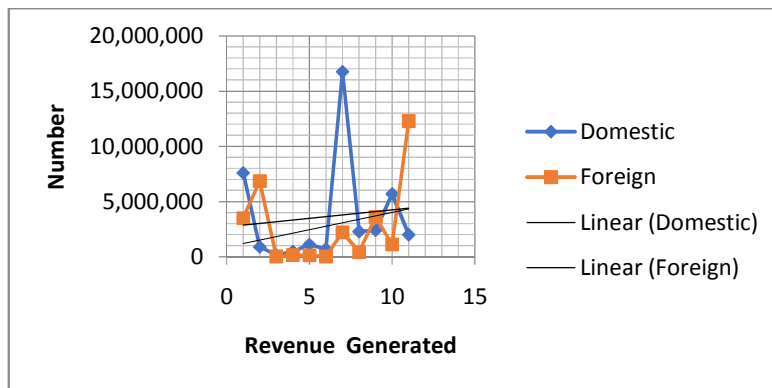


Figure 5, Revenue Generated by the beach management

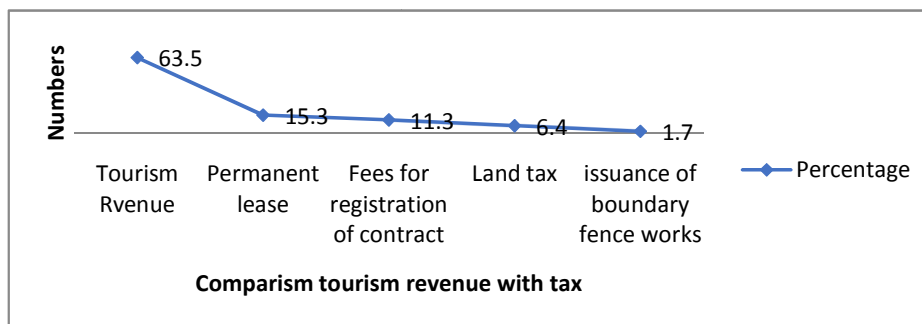


Figure 6, Comparison of Revenue and Tax

DISCUSSION

From the result obtained in this result study it indicates that beach tourism has great potentials in generating revenue, employment, and stimulate infrastructure development of the coastal areas in Lagos state. This observation agrees with some authors who reported that tourism’s economic influence and opportunity was first realized in the 1950s and 1960s by countries like France, Spain, Italy, Greece, UK, Ireland, Australia and the USA which used tourism as part of an integrated development strategy to fuel urban regeneration), develops transport systems, finance urban development, and catalyze private sector development through employment and economic growth. Michael, (2006) .He stated further that tourism’s role in revenue has evolved considerably in the past 15 years. It is increasingly considered a stimulant not just for foreign exchange,

economic growth and employment, but also an opportunity for host community participation in biodiversity conservation, urban growth, and infrastructure overhaul and planning, rural development, environmental restoration, coastal protection and cultural heritage preservation. Bird (2005) gives a holistic picture of different sources of finance available in China's urban situation. In his list of sources of finance, he included beach tourism finance, giving us a picture that tourism revenue may be a significant source in the country. We have a similar report in South Africa empirically provided by Yemek (2005). He provides evidence that the main sources of finance in South Africa are, VAT of tourism tax, Company tax, Pay as You Earn (PAYE) and other taxes. However Manson, (2005) makes a case that beach tourism revenue is becoming a critical source for South Africa's economic growth, its contribution to Gross Domestic product (GDP) remains great. Likewise, Livingstone and Charlton (2001) and Ebel and Yilmaz (2002) include tourism revenue as a major source of revenue for urban sub-national governments.

Cecil (2009) posits that beach tourism plays a very important role in the economies of Caribbean. He continues to argue that tourism plays a significant role and as such the government has taken a significant lead in the development of a suitable strategy to encourage growth using tourism. Indeed, as Cecil argues, tourism is a major engine of economic growth in most parts of Caribbean as demonstrated by most government publications as well as advertisements. Thus, tourism has great capacity to create large scale employment from the more specialized to the unskilled and all of us know that generation of massive productive employment.

Furthermore, Oldershaw (2008) adds to this advantage posed by beach tourism by pointing out that the beach tourism sector earns most of the foreign exchange annually in New Zealand, making it one of the biggest single export industries for that country. As he argues, tourism is responsible for New Zealand's GDP and contributes to the economy.

Blake (2000) argues that in a general equilibrium setting, the presence of domestic commodity taxes will typically increase the benefits of tourism, since they allow some extraction of rents from unpriced natural amenities that are consumed jointly with priced goods and services. The problem as seen by Dilys (2004) is that if domestic residents consume the taxed products more intensively than tourists, then domestic opposition to increases in such taxes would arise. Taxes on complementary products (which also widen the tax base) seem preferable to direct charges in that price competitiveness is not much affected and domestic residents do not bear the burden.

However, in the case of Spain general (central) taxation on tourism sector is usually below average, perhaps due to the difficulty of distinguishing between tourists and non-tourists (Alberto, 2006). At the same time, there is a growing interest in the application of specific (regional) taxes on tourist activities as evidenced by the author. Spanish legislation allows rather in adequate regional tax baskets; this phenomenon is probably related to the high exportability and revenue collection capacity of such taxes for some Spanish regions (Gago, 2006).

Beach tourism can serve as a tool for development in that tourism brings consumers to the product in the Lagos state. Unlike any other export, beach tourism can offer value added directly to the local people by allowing them to participate in providing goods and services to tourist and tourism business. This agrees with Yiheys (2003) who states that tourism can provide foreign exchange, product return on investment for emerging economies, bring technology and improve living standards of destination residents. According to him, the most prominent benefits used to promote tourism development are the economic benefit that communities can expect to drive from an increase in tourism activity. As a result, tourism increases revenue for local business and shopping facilities.

CONCLUSIONS

Beach tourism industry plays important role for the development of any Lagos state which have a tourist destination through promoting foreign exchange, creating job opportunities, technology transfer, infrastructure development, market development, and the likes. Including tourism revenue, urban finances, which are property tax, business tax, rates on land, users and benefit charges, license fee penalty.

Beach owners and government raises revenues from tourism through hotels, tours and tour guides, travel agency and souvenir shops. This generates sales tax and room tax. In addition, income taxes are levied on the earnings of hotel employees and on the profits of the business and the hotel pay property taxes. In addition to this revenue is obtained directly from tourists through museum admission fees and park entrance fees. Thus, Elegushi play a vital role in the revenue generation in Lagos state and create jobs for the citizens of the state

RECOMMENDATION

Based on this study the following recommendations are made:

Entrance fee is currently collected by individuals at the gate without proper documentation. There is need to create Revenue office that will handle the collection and transfer of revenue.

And also the beach management should create awareness to tour guides so that they feel responsible while genuinely serving the visitors and leading the tourists the right way in paying the required service tax

It is difficult to get full-fledged data at the beach. Therefore, the need for organized database and information system should be highly emphasized at each level. This can simply be done by having a tourism data collection officer, who will be responsible for this activity throughout the year.

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