

**A Presentation on  
“A New Intuition Into Tourism-  
inclusive Growth  
Nexus In Turkey And Nigeria” (1995  
– 2018) (Osinubi, Ajayi, Osinubi &  
Olaniyi, 2021).**

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# Introduction

- Tourism is a field of study that continues to garner attention among researchers due to its largely positive and economy-wide effects on economic outcomes of countries.
- Tourism has been discovered to be a tool for: foreign exchange inflows, spurring competition through new investment in infrastructure, providing positive economies of scale, increased employment and income, diffusion of skills and technology.

## *Broad and Interwoven Effects of Tourism to an Economy across all 3 Economic Agents*

### Individuals

- Creation of employment opportunities

### Firms

- Develops sectors such as transport, technology and innovation through linkages effect
- Boosts income through arrivals

### Government

- Raises revenue through taxes
- Increases GDP

# Tourism in Nigeria and Turkey

## Nigeria

- ⦿ Tourism contribution to Nigeria's GDP has been meager, with the figure steadily dropping from 4.9% in 2005 to 2.7% in 2014; however, Yusuff & Ayinde (2015) point to an expected growth rate of 6.1% annually from 2014 to 2020.

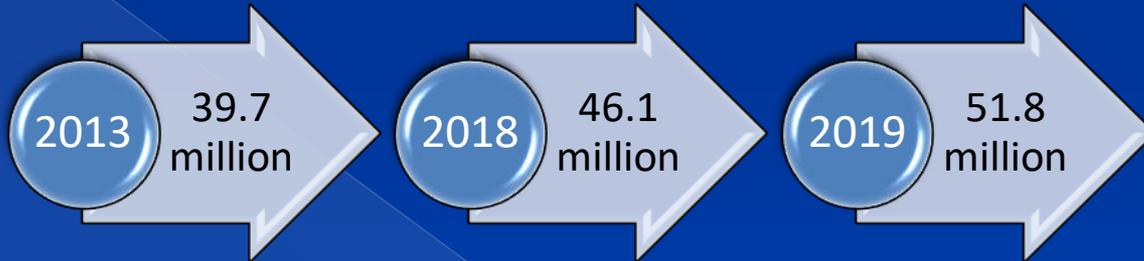
## Turkey

- ⦿ Tourism has fared considerably better in Turkey, with the Turkey Tourism Policy 2023 pointing to an expected 63 million tourists and \$86 billion foreign tourism income.

# Tourism in Figures in Both Countries

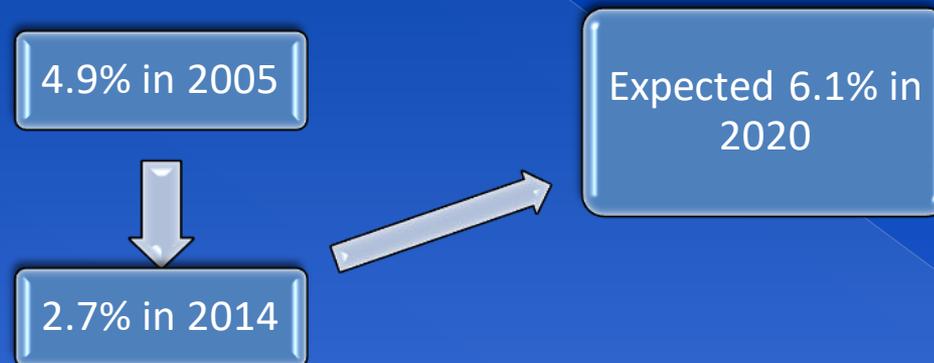
## Turkey

- Tourism in Turkey has gone from strength to strength



## Nigeria

- In Nigeria, tourism contribution to income has been stuttering



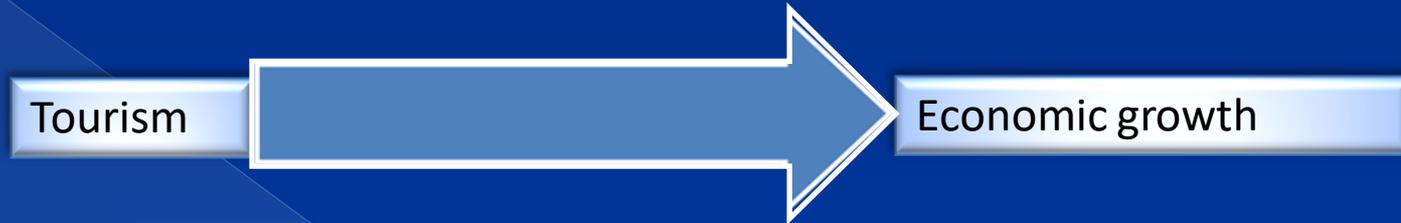
# Review on Tourism-Economic Growth Nexus

4 different opinions exist on the relationship between tourism and economic growth.

They are:

- **Tourism-Led Growth Hypothesis**
- **Conservation Hypothesis**
- **Feedback Hypothesis**
- **Neutrality Hypothesis**

# *Tourism-Led Growth Hypothesis*



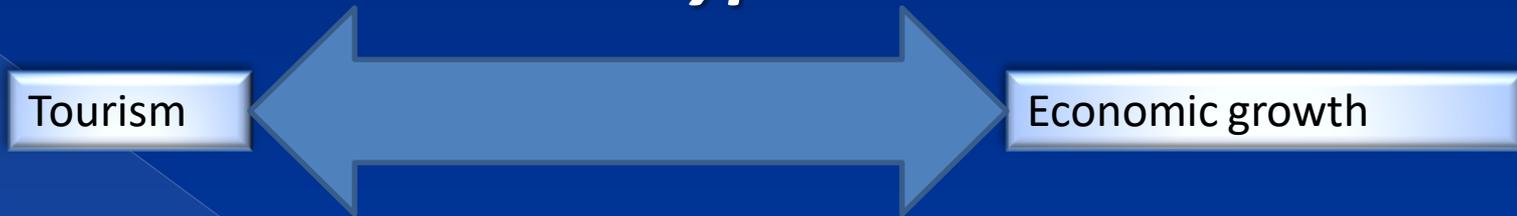
- The growth-led hypothesis is based on the idea that tourism drives economic growth.
- This view is supported by several papers including (Hatemi-J et al., 2014; Terzi, 2015; Jackman, 2012; Cortes-Jimenez & Pulina, 2006; IsikMaden, Bulgan & Yildirim, 2019; Atan & Arslanturk, 2012 ;Yusuff & Ayinde, 2015).

# *Conservation Hypothesis*



- The conservation hypothesis states that a direct causality runs from economic growth to tourism.
- Jackman & Lorde, 2012; Zumba, Adeshola, Chiagoziem & Abe, 2019; Hatemi-J et al., 2014; Phiri, 2016 all support this view.

## *Feedback Hypothesis*



- The feedback hypothesis means tourism can result in changes in GDP, while economic growth can as well lead to shifts in tourism.
- Cortes-Jimenez & Pulina, 2006; Zumba, Adeshola, Chiagoziem & Abe, 2019; Dritsakis, 2012, Phiri, 2016; Muhtaseb & Daoud, 2017 all subscribe to this view.

## *Neutrality Hypothesis*



- The neutrality hypothesis points at no relationship between both variables.
- Georgantopoulos (2013), Phiri (2016), Katircioglu (2009), Ozturk and Acaravci (2009), Eyuboglu and Eyuboglu (2019) and Hatemi-J et al., (2014).

# Methodology

## Method of analysis:

**Bootstrap simulation method with leverage adjustments**

## Data

All data used for this study was derived from World Bank's World Development indicators (WDI, 2020). It includes:

- International Tourist Arrivals (TOA),
- International Tourism Expenditures (TOE) In Current US\$,
- International Tourism Receipts (TOR) In Current US\$,
- GDP (Gross Domestic Product) Per Person Employed In Constant 2017 PPP

# Conclusion

## Findings

- The results show that there is no evidence of asymmetric causality between tourism and inclusive growth, while there is evidence of symmetric causality running from tourism to inclusive growth in Turkey.
- On the other hand, there is neither symmetric nor asymmetric causal relationship between tourism and inclusive growth in Nigeria.

# *Implications of the Study*

From the results gotten, the following can be implied from the study:

## **Turkey**

- No evidence of asymmetric causality implies the presence of *neutrality hypothesis*
- The presence of symmetric causality running from tourism to inclusive growth points to presence of *tourism-led growth hypothesis*

## **Nigeria**

- In Nigeria, neither symmetric nor asymmetric causality implies the presence of *neutrality hypothesis*

## *Recommendations of the Study*

From the results and implications, the following are recommended for policy makers in Turkey and Nigeria:

- **The tourism sector in both countries, Nigeria in particular, should be repositioned for better performance and effectiveness in stimulating inclusive growth.**
- **Both Nigeria and Turkey should implement policies that stimulate their tourism sectors for a larger and more significant contribution to real GDP.**
- **The tourism sectors in both nations should be included in national development plans in order to ensure positive economic shocks to tourism have a wider effect on the economy.**

Thank You!