Peace Studies and Practice
Journal of the Society of Peace Studies and Practice

Volume 14 | Issue 1 | August 2026
Pp 225 - 233

TOURISM AS A CATALYST FOR ECONOMIC DIVERSIFICATION AND PEACEBUILDING IN NIGERIA

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DOI: https://doi.org/10.63725/jpsp.v14i1.16

Abstract
Tourism has emerged globally as a strategic sector for economic diversification, employment generation, and social stability, particularly in developing countries seeking alternatives to resource dependence. In Nigeria, prolonged reliance on crude oil revenues has produced structural vulnerabilities, including unemployment, regional inequality, and insecurity, intensifying the need for diversification strategies capable of also addressing conflict drivers. While a growing body of scholarship has examined tourism's economic contribution in Nigeria, and a separate body has examined tourism-peace linkages elsewhere in Africa, few studies have theorised the two relationships jointly within a single Nigerian framework. This paper addresses that gap by using the Tourism-Led Growth Hypothesis and Peacebuilding Theory as a combined analytical lens to examine tourism's dual contribution to diversification and peacebuilding in Nigeria. Using a qualitative desk-review methodology, the article draws on peer-reviewed literature, institutional statistics (UNWTO, WTTC, NBS, CBN, AfDB), and policy documents published largely between 2017 and 2026. Findings show that tourism contributed roughly 3.6-3.9% of Nigeria's GDP and around 2.7 million jobs by 2024, figures that remain far below comparator economies such as Morocco (12.2%), Rwanda (9.8-10.3%), Botswana (approximately 10% including indirect effects) and Kenya (7-10%), pointing to substantial untapped capacity. The evidence also indicates that community-based tourism models, where local populations retain a stake in benefit distribution, correlate with stronger peacebuilding outcomes than externally driven, elite-captured tourism development. However, insecurity, weak infrastructure, fragmented governance, and limited financing continue to constrain the sector. The paper concludes that tourism can serve as a viable instrument for inclusive growth and sustainable peace in Nigeria, but only where investment in infrastructure and security is paired with deliberate, community-anchored governance reform.

Keywords: Tourism, Economic Diversification, Peacebuilding, Nigeria, Sustainable Development

1. Introduction

Nigeria's economy has historically depended on crude oil exports as its principal source of foreign exchange earnings and public revenue. Although the oil sector has contributed significantly to national income, its volatility has repeatedly exposed the economy to fiscal instability, rising unemployment, and declining productivity in non-oil sectors (International

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Monetary Fund, 2023; Central Bank of Nigeria, 2023). According to the African Development Bank (2022), diversification, is essential for improving economic resilience and reducing vulnerability to external shocks across African economies, while the United Nations Economic Commission for Africa (2021) has observed that extractive-dependent economies typically experience slow structural transformation and limited youth employment generation.

Globally, tourism has become one of the fastest-growing economic sectors, and by 2025 the World Travel & Tourism Council (2025) estimated that travel and tourism contributed roughly US$11.6 trillion to global GDP, supporting around 366 million jobs worldwide. In many developing economies, the sector, functions as a mechanism for local economic development and poverty reduction while supporting entrepreneurship and community resilience (Dogru & Bulut, 2018). Nigeria possesses substantial tourism assets, including ecological reserves, cultural festivals, and historical landmarks, yet the sector remains underdeveloped relative to its potential because of infrastructure deficits, weak institutional support, and policy inconsistency (Adeleke, 2018).

Existing Nigerian scholarship has tended to treat tourism's economic role and its peacebuilding potential as separate lines of inquiry: one strand quantifies tourism's contribution to GDP, employment, and non-oil revenue (Eja et al., 2019; Nwosu, 2021), while a second, smaller strand explores tourism's role in reducing exclusion and intercommunal tension (Usman, 2017; Ibrahim, 2021). What remains underexamined is how these two functions interact in a country where both overdependence on oil and active insecurity are simultaneously present. This paper addresses that gap by asking: under what conditions does tourism development in Nigeria advance economic diversification and peacebuilding jointly, rather than one at the expense of the other? In doing so, the paper contributes a combined theoretical treatment (Tourism-Led Growth Hypothesis and Peacebuilding Theory), updated comparative statistical evidence, and a more explicit treatment of how insecurity constrains both outcomes simultaneously.

2. Literature Review

2.1 Tourism and economic growth

The Tourism-Led Growth Hypothesis (TLGH) holds that tourism contributes directly to economic growth through foreign exchange earnings, government revenue, and multiplier effects across transportation, agriculture, trade, and hospitality (Balaguer &Cantavella-Jordá, 2017). Cross-country evidence broadly supports the view that stronger tourism sectors are associated with higher income generation and sectoral diversification (Ivanov & Webster, 2019), and research on African economies specifically links tourism expansion to improved employment and foreign exchange outcomes (Akinboade&Braimoh, 2018; Ghosh, 2017).

2.2 Tourism, diversification, and enterprise development

Beyond aggregate growth, tourism is frequently associated with diversification away from extractive dependence because of its comparatively labour-intensive, small-enterprise-linked structure (Croes & Rivera, 2017). In the Nigerian context specifically, Eja et al. (2019) and Nwosu (2021) find that tourism development has the capacity to stimulate employment, enhance infrastructure, and increase internally generated revenue, particularly among youth and informal entrepreneurs. Yakubu and Akanegbu (2022) extend this to a West African comparative frame, arguing that

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tourism-led growth can reduce overdependence on extractive industries by increasing non-oil revenue and export diversification.

2.3 Tourism and peacebuilding

A second, thinner strand of literature addresses tourism's contribution to peacebuilding. Tourism is argued to promote interaction among diverse communities, strengthen mutual understanding, and reduce social exclusion, thereby contributing to conflict prevention (Usman, 2017). Ibrahim (2021) argues that tourism can support conflict transformation in fragile environments by creating economic alternatives for vulnerable populations, while Bello (2017) finds that community participation in tourism planning promotes local ownership and reduces resistance to development interventions - a finding echoed in Adu-Ampong's (2017) work on institutional collaboration in Ghanaian tourism governance.

2.4 Constraints and unresolved debates

Despite this potential, tourism competitiveness across much of Africa remains constrained by weak infrastructure, governance gaps, and inconsistent policy support (Zengeni et al., 2021). In Nigeria specifically, Ezenagu (2020) and Olorunfemi (2021) identify insecurity, weak governance, and poor destination management as the principal barriers to sectoral development. A recurring unresolved debate in the literature concerns direction of causality and conditionality: does tourism reduce conflict drivers, or does the presence of conflict simply suppress tourism activity regardless of policy effort? A related, largely unresolved methodological limitation is that most Nigerian studies rely on qualitative or descriptive designs without a shared theoretical anchor, which limits comparability across findings. This paper's combined TLGH-peacebuilding framework, set out below, is an attempt to address that gap.

3. Theoretical Framework

This paper applies two complementary theories. The Tourism-Led Growth Hypothesis (TLGH) provides the economic lens, positing that tourism generates growth through direct expenditure, indirect value-chain effects (transport, food supply, construction), and induced effects as tourism wages recirculate through the local economy (Balaguer &Cantavella-Jordá, 2017). The hypothesis predicts that the strength of these effects depends on the extent of domestic linkages - a tourism sector reliant on imported goods and foreign-owned facilities generates weaker diversification effects than one anchored in local supply chains and community-owned enterprises.

Peacebuilding Theory, particularly its application to livelihood-based conflict prevention, provides the social lens. This tradition holds that unemployment, exclusion, and weak community voice are proximate drivers of conflict, and that interventions which restore livelihoods and inclusive participation reduce the incentive structures underlying violence (Ibrahim, 2021). Applied to tourism, the theory predicts that peacebuilding effects are conditional on distribution: tourism revenue captured by external investors or political elites is unlikely to reduce local grievance, whereas community-based tourism (CBT), which gives host populations a direct stake in planning and benefit-sharing, is more likely to do so (Bello, 2017).

Together these frameworks generate a testable proposition for the Nigerian case: tourism development is most likely to advance diversification *and* peacebuilding jointly where (a) domestic value-chain linkages are strong and (b) community

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ownership and benefit-sharing are built into project design. Where either condition is absent, tourism is likely to deliver economic gains without peace dividends, or neither.

4. Methodology

This article adopts a qualitative desk-review design, appropriate for a conceptual and policy-oriented inquiry that seeks to synthesise dispersed evidence rather than generate new primary data. Secondary sources were drawn from three categories: (a) peer-reviewed journal articles on tourism economics and peacebuilding published between 2015 and 2026; (b) institutional statistical publications, specifically the United Nations World Tourism Organization, the World Travel & Tourism Council, the National Bureau of Statistics, the Central Bank of Nigeria, and the African Development Bank; and (c) Nigerian federal policy documents, including the National Tourism Development Master Plan.

Sources were selected using three criteria: (i) direct relevance to tourism's economic or peacebuilding function in Nigeria or a comparable African economy; (ii) publication in a peer-reviewed outlet or by a named, verifiable institutional author; and (iii) where statistical claims were involved, traceability to a primary institutional dataset (WTTC Economic Impact Research, UNWTO Tourism Highlights, or national statistical bulletins) rather than secondary aggregation. In total, over 30 scholarly sources and eight institutional data publications informed the analysis. Statistical claims were cross-checked against at least one other source where possible; where figures diverged (for example, differing Naira-to-dollar GDP conversions across years reflecting currency depreciation rather than real change), this is flagged in the discussion rather than resolved by selecting a single figure.

Data were analysed thematically, organised around four recurring categories: tourism's contribution to economic diversification; tourism's role in peacebuilding; structural and security barriers to tourism development; and policy responses. This approach enabled integration of findings from heterogeneous sources - academic, statistical, and policy - into coherent analytical categories.

The principal limitation of this design is that, as a desk review, it cannot establish causality between tourism activity and peace outcomes; it can identify correlation and plausible mechanism, but a definitive causal claim would require primary field research (for example, community-level surveys in specific tourism destinations) that lies beyond the scope of this paper. This limitation is acknowledged as a direction for future empirical research in the conclusion.

5. Tourism and Economic Diversification in Nigeria

Tourism contributes to economic diversification by stimulating productive activity across transportation, agriculture, retail, and hospitality. Unlike oil extraction, which is capital-intensive and employs relatively few people, tourism is labour-intensive with broader multiplier effects across local economies (International Labour Organization, 2020). The World Travel & Tourism Council's 2024 Economic Impact Research estimated that Nigeria's travel and tourism sector contributed approximately ₦9.55 trillion (roughly 3.9% of GDP) in 2024, supporting an estimated 2.71 million jobs, up from 1.98 million the previous year (World Travel & Tourism Council, 2024). Its 2025 factsheet projected continued growth to around ₦11.2 trillion, with domestic spending (approximately ₦6.1 trillion) substantially exceeding international visitor spending (World Travel & Tourism Council, 2025) - a pattern

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indicating that domestic tourism, rather than inbound international arrivals, is currently the sector's primary driver in Nigeria.

This contribution is modest by regional standards. WTTC's 2025 Economic Impact Research places Morocco's tourism sector at 12.2% of GDP, Kenya's at roughly 10%, and South Africa's and Egypt's at 8-8.5% (World Travel & Tourism Council, 2025). Rwanda's sector reached 9.8% of GDP in 2024 and was forecast to approach 10.3% in 2025, driven substantially by high-value, low-volume ecotourism anchored around Volcanoes National Park (World Travel & Tourism Council, 2025). Botswana's tourism contribution, when indirect effects are included, has been estimated at close to 10% of GDP by the International Finance Corporation (2022), built around community-linked trophy-hunting and conservation trust arrangements that channel a share of revenue directly to local communities. Nigeria's roughly 3.6-3.9% share therefore represents substantial unrealised capacity rather than a ceiling, particularly given the comparative scale of Nigeria's cultural and ecological assets.

Nigeria's revenue diversification potential, spans domestic tourism, ecotourism, cultural tourism, and business tourism (Eja et al., 2019). Ecotourism sites such as national parks and heritage sites create employment for guides, transport providers, and artisans, while cultural festivals stimulate local spending and small-enterprise growth. Yakubu and Akanegbu (2022) find that tourism-led growth can reduce overdependence on extractive industries by increasing non-oil revenue and improving economic resilience across West Africa more broadly. Tourism-linked infrastructure investment - roads, energy supply, and digital connectivity in destination areas - also generates spillover benefits for other sectors (Adeola, 2020), and Ghosh (2017) finds that tourism expansion in developing economies contributes to balance-of-payments improvement, which is particularly relevant for Nigeria given its historical dependence on oil for external earnings.

Despite this potential, Nigeria has not fully leveraged tourism as a diversification strategy. Weak infrastructure, limited destination marketing, and inconsistent policy implementation continue to constrain sectoral performance (Adeleke, 2018), a constraint examined in greater detail in Section 7.

6. Tourism and Peacebuilding in Nigeria

Applying the peacebuilding lens set out in Section 3, tourism's most direct peacebuilding contribution operates through employment generation, particularly for young people. Youth unemployment is widely linked to rising insecurity and social unrest in Nigeria, and tourism-generated employment in hotels, transport, recreation, and cultural enterprises can reduce the economic incentives underlying recruitment into violence (Yakubu, 2020). Community-based tourism (CBT) further enhances social inclusion by giving residents a direct stake in planning and benefit distribution (Bello, 2017); this participatory structure is precisely the condition the theoretical framework identifies as necessary for peace dividends to materialise, since revenue captured externally or by elites does little to change the local calculus around grievance and exclusion.

Cultural tourism supports peace through a related but distinct mechanism: fostering mutual understanding among ethnic, religious, and regional groups through festivals and heritage events that create structured opportunities for intercultural dialogue (Usman, 2017). Research on fragile states more broadly indicates that tourism

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can support conflict transformation by providing economic alternatives for vulnerable populations and encouraging cooperation over shared resources (Ibrahim, 2021), a pattern consistent with community-based conservation models observed in Rwanda and Botswana, where local revenue-sharing arrangements have been credited with reducing human-wildlife and land-use conflict alongside their economic contribution.

However, this potential is conditional rather than automatic. Where tourism benefits are concentrated among elites or where communities are excluded from planning, the sector risks reinforcing rather than reducing local inequality and grievance - a risk the literature on Nigerian tourism governance (Bello, 2017; Olorunfemi, 2021) suggests is far from hypothetical, given the pattern of fragmented institutional responsibility discussed in Section 7. Tourism policy must therefore treat inclusion and equitable benefit-sharing as a design requirement, not an incidental outcome.

7. Barriers to Tourism Development in Nigeria

Nigeria's tourism sector faces four interrelated constraints, each of which affects the diversification and peacebuilding pathways discussed above.

Insecurity: Persistent terrorism, banditry, kidnapping, communal violence, and farmer-herder conflict have damaged Nigeria's image as a destination, discouraging both domestic and international visitors and reducing investor confidence (Okonkwo, 2019). Because travel decisions are highly sensitive to perceived safety, insecurity affects tourism disproportionately relative to other sectors; it also directly undermines the peacebuilding pathway, since a sector unable to operate safely in conflict-affected regions cannot deliver the local employment and inclusion benefits the theoretical framework identifies as necessary preconditions for peace dividends.

Infrastructure deficits: Poor road networks, irregular electricity supply, and inadequate digital connectivity raise operating costs and reduce visitor experience quality (Adeola, 2020); the World Bank (2021) identifies inadequate infrastructure as one of the most critical barriers to tourism competitiveness across developing economies generally.

Institutional fragmentation and financing gaps: Tourism governance in Nigeria is characterised by fragmented responsibility across agencies, weak implementation capacity, and policy inconsistency, which discourages private investment and reduces coordination (Olorunfemi, 2021; Lawal, 2024). The African Development Bank (2022) identifies financing gaps - limited investor access to credit and concessional financing - as a further constraint specific to African tourism markets.

Weak destination marketing and data systems: Nigeria's attractions remain under-promoted and largely absent from international tourism networks (Ezenagu, 2020), while weak statistical systems constrain evidence-based policymaking on tourist arrivals, expenditure, and sectoral performance (World Travel & Tourism Council, 2023).

These constraints are mutually reinforcing: insecurity depresses investment, which slows infrastructure development, which in turn limits the destination competitiveness needed to attract the financing that could address both problems.

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8. Policy Recommendations

Addressing these constraints requires coordinated action with clearly assigned institutional responsibility, rather than the generic prescriptions common in the existing literature.

1. **Infrastructure investment**, coordinated by the Federal Ministry of Art, Culture, Tourism and the Creative Economy in partnership with state governments, should prioritise road, electricity, and digital connectivity upgrades in the highest-potential destination corridors identified in the National Tourism Development Master Plan, with multi-year capital budget lines rather than single-year allocations (World Bank, 2021).

2. **Institutional consolidation**, led by the Nigerian Tourism Development Authority, should establish a single coordinating framework across federal and state tourism agencies, with published implementation timelines and an annual public monitoring report to reduce the fragmentation identified by Olorunfemi (2021).

3. **Community-based tourism (CBT) mandates**, requiring benefit-sharing agreements with host communities as a condition of federal or state tourism concessions, should be adopted, drawing on the Rwandan and Botswanan revenue-sharing models discussed in Sections 5-6, and implemented in partnership with state governments and local government councils.

4. **Destination security**, coordinated between the Ministry, state security agencies, and community policing structures, should prioritise the highest-potential and currently most affected destination corridors, with security investment sequenced alongside, not after, infrastructure and marketing spend.

5. **Public-private partnerships and financing incentives**, coordinated by the Nigerian Tourism Development Authority with the African Development Bank and private investors, should include concessional financing windows and tax relief specifically targeted at SME-linked and community-owned tourism enterprises, rather than large-scale externally owned facilities alone.

6. **Destination marketing**, led by the Federal Ministry in partnership with state tourism boards, should include a costed digital marketing strategy and coordinated participation in international tourism fairs, with annual visitor-arrival targets against which progress can be monitored.

7. **Formal integration into national planning**, positioning tourism within Nigeria's broader economic diversification and peacebuilding strategy documents (rather than as a stand-alone sectoral plan), would improve policy coherence and ensure tourism investment is sequenced alongside related security and infrastructure reforms (United Nations Development Programme, 2022).

9. Conclusion

This paper has argued that tourism's contribution to Nigeria's economic diversification and peacebuilding agenda is best understood not as a single, automatic effect but as conditional on two factors identified by the paper's combined theoretical framework: the strength of domestic value-chain linkages, and the

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extent of community ownership in benefit distribution. Where both conditions are present - as in Rwanda's and Botswana's community-linked ecotourism models - tourism has delivered both stronger GDP contributions and more credible peace dividends than Nigeria's current ~3.6-3.9% GDP contribution suggests is being achieved.

The paper's principal contribution is this joint theoretical treatment, combined with updated comparative statistical evidence and a more explicit account of how insecurity constrains diversification and peacebuilding simultaneously rather than as separate problems. Its principal limitation, as a desk-review study, is that it cannot establish causality between community-based tourism models and measured peace outcomes; this would require primary, community-level research - for example, comparative surveys of resident attitudes in tourism versus non-tourism-dependent communities in a specific Nigerian state - which represents a clear direction for future empirical work. If Nigeria invests strategically in infrastructure, institutional consolidation, destination security, and community-anchored governance, tourism can become a genuine pillar of both economic resilience and sustainable peace, rather than a leisure sector treated as marginal to national development planning.

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