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## **Assessing the Impact of Tourism on Revenue Generation, Employment Creation, and SMEs in Akwa Ibom State, Nigeria**

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### **Abstract**

*This study investigates the impact of tourism on revenue generation, employment creation, and the development of small and medium-sized enterprises (SMEs) from 2019 to 2023. Utilizing a descriptive research design and secondary data from government and tourism publications, the analysis shows that tourist activities significantly boost revenue through spending and hospitality services. It also highlights that tourism generates direct and indirect employment across various sectors, including hotels and entertainment. Furthermore, the sector fosters the growth of SMEs by creating opportunities for local entrepreneurs in trade and related businesses. Despite these benefits, challenges such as inadequate infrastructure, limited investment, and insufficient promotion of tourist attractions hinder the sector's full potential. The study suggests that government initiatives should focus on investing in tourism infrastructure, enhancing marketing strategies, and ensuring a safe environment to support tourism growth and optimize economic gains.*

**Keywords:** Tourism development, revenue generation, employment creation, SMEs, socio-economic development, Akwa Ibom State.

## **1.1 Introduction**

Tourism has increasingly emerged as one of the most significant sectors contributing to global economic development. Over the past few decades, the industry has evolved from being largely recreational to becoming a strategic instrument for revenue generation, employment creation, and small business development in many countries. Contemporary global indicators show that tourism contributes significantly to national economies through foreign exchange earnings, job creation, and the stimulation of local enterprise development. According to the Organisation for Economic Co-operation and Development (OECD) and the United Nations World Tourism Organization (UN Tourism), tourism accounts for a substantial share of global capital investment and continues to experience steady growth in international trade and service exports.

In many developing countries, tourism is increasingly recognized as an important catalyst for socio-economic development. The sector stimulates economic activity across multiple industries like transportation, hospitality, food services, entertainment, and cultural industries. Through these linkages, tourism contributes not only to government revenue but also to employment opportunities and the growth of small and medium-sized enterprises (SMEs). The World Trade Organization (2014) notes that Africa's tourism and hospitality industry represents one of the continent's most promising but underutilized investment sectors, with significant untapped economic potential.

Nigeria possesses considerable tourism resources capable of supporting sustainable economic growth. The country is endowed with diverse natural landscapes, favorable climatic conditions, rich cultural heritage, historical landmarks, wildlife reserves, and coastal attractions. These natural and cultural endowments make Nigeria a potentially competitive tourism destination in Africa. Scholars have therefore described Nigeria as possessing significant tourism assets that, if effectively harnessed, could contribute meaningfully to national development and economic diversification (Ogili et al., 2023).

In earlier research, the authors regretted how the socio-economic development of a place could be rendered stagnated when they observed the "myriads of socio-

economic challenges arising from environmental pollution ranging from domestic level to institutional, upto industrial level”. He concluded that, “most of the environmental pollutions have direct effect on the air and air pollution affects lives and properties adversely, thereby rendering socio-economic development of a place stagnant (Udoh, 2022). Further, in Udoh (2024), the scholar’s deeper concern for fairness, equality and justice in the distribution of socio economic development across Nigeria was demonstrated in his twin theories, call: Pawpaw/Papaya as well as pineapple theories.

Within Nigeria, Akwa Ibom State represents one of the regions with considerable tourism potential. It is located in the South-South geopolitical zone of the country, endowed with attractive coastal landscapes, rich cultural traditions, historical heritage, vibrant festivals, etc. These resources provide a strong foundation for tourism development capable of generating revenue, stimulating employment opportunities, and supporting the growth of local enterprises. Tourism-related activities such as hospitality services, cultural festivals, transportation, and local craft markets have the potential to stimulate the growth of SMEs and enhance the livelihoods of local communities.

Recently, the Akwa Ibom State government has taken deliberate steps to develop the tourism sector as part of its broader economic development strategy. These initiatives include investments in tourism infrastructure, development of tourism facilities such as the Ibom Tropicana Entertainment Centre, improvements in transportation infrastructure including the modernization of Victor Attah International Airport, and branding campaigns aimed at positioning the state as a tourism destination. In addition, the establishment of the Akwa Ibom State Tourism Development Agency reflects the government's commitment to institutionalizing tourism development within the state.

Despite these initiatives, the tourism sector in Akwa Ibom State remains relatively underdeveloped compared to its potential. Challenges such as inadequate infrastructure, limited tourism product diversification, insufficient marketing strategies, and inadequate funding have constrained the full realization of the sector’s economic benefits. Consequently, the extent to which tourism contributes to revenue

generation, employment creation, and the growth of small and medium-sized enterprises in the state remains an important issue requiring empirical investigation. Given the growing recognition of tourism as a driver of economic growth and development, it becomes necessary to examine the contributions of tourism to key socio-economic indicators within Akwa Ibom State. Understanding the relationship between tourism activities and economic outcomes such as government revenue, employment opportunities, and SME development is essential for informing policy decisions and strengthening the tourism sector. It is against this background that this study examines the contributions of tourism to revenue generation, employment creation, and the growth of small and medium-sized enterprises in Akwa Ibom State, Nigeria.

## **1.2 Statement of the Problem**

Tourism is widely acknowledged as a critical sector capable of promoting economic growth and socio-economic development in many parts of the world. In developing economies, the industry plays an important role in generating revenue, creating employment opportunities, and supporting the development of small and medium-sized enterprises. However, despite possessing significant tourism resources, many regions in Nigeria have not fully harnessed the economic benefits associated with tourism development.

Akwa Ibom State is endowed with diverse tourism attractions like coastal beaches, cultural festivals, historical sites, and modern tourism infrastructure. These resources provide the state with significant potential to develop a vibrant tourism industry capable of contributing to revenue generation, employment creation, and the expansion of SMEs. Nevertheless, the tourism sector in the state appears to contribute below its expected potential to the broader socio-economic development of the region. Several factors may be responsible for this situation. These include inadequate tourism infrastructure, limited diversification of tourism products, insufficient marketing and promotion of tourism destinations, weak policy implementation, and limited community participation in tourism activities. These challenges may restrict the ability of tourism to generate substantial revenue for the government, provide sustainable

employment opportunities for residents, and stimulate the growth of local businesses and entrepreneurial ventures.

Furthermore, although the government of Akwa Ibom State has introduced various initiatives aimed at promoting tourism development, there remains limited empirical evidence regarding the actual contributions of tourism to key economic outcomes within the state. Particularly, there is insufficient scholarly analysis that examines the extent to which tourism activities contribute to generating revenue, creating employment, and developing small and medium-sized enterprises.

This gap in empirical knowledge makes it difficult for policymakers and stakeholders to fully understand the economic significance of tourism within the state and to design effective policies that can maximize its developmental benefits. Therefore, there is a need for systematic research that evaluates the economic contributions of tourism in Akwa Ibom State.

This study therefore examines the contributions of tourism to revenue generation, employment creation, and the growth of small and medium-sized enterprises in Akwa Ibom State, Nigeria.

### **1.3 Objectives of the Study**

While the study aims to investigate the impact of tourism on the socio-economic development of Akwa Ibom State, the specific objectives are to:

- i. Examine the contributions of tourism to revenue generation in Akwa Ibom State.
- ii. Ascertain the contributions of tourism to employment generation in Akwa Ibom State.
- iii. Examine the contributions of tourism to the growth of smes in Akwa Ibom State.

### **1.4 Research Questions**

The following research questions were formulated to guide the study:

- i. To what extent has tourism contributed to revenue generation in Akwa Ibom State?
- ii. Has tourism contributed to employment generation in Akwa Ibom State?

- iii. To what extent has tourism contributed to the growth of SMEs in Akwa Ibom State?

## **2.1 Literature Review**

### **2.1.2 Concept of Tourism and Socio-Economic Development**

Tourism is widely recognized as an important sector for socio-economic development due to its ability to stimulate economic growth, improve infrastructure, and enhance the livelihood of local communities. According to the World Tourism Organization (UNWTO), tourism represents one of the fastest-growing sectors of the global economy and contributes significantly to national income, employment generation, and international trade. Similarly, the World Travel and Tourism Council reports that tourism contributes substantially to global GDP and supports millions of jobs worldwide.

Scholars such as Richard Sharpley (2019) emphasize that tourism development can enhance economic growth by attracting investment, promoting regional development, and creating linkages with other sectors such as transportation, hospitality, and agriculture. Likewise, studies by Cochrane (2017) highlight that sustainable tourism development provides opportunities for economic diversification, especially in developing economies.

In Nigeria, tourism has been identified as a potential tool for economic diversification beyond oil dependence. Eneji, Odey, and Bullus (2016) argue that tourism can contribute significantly to sustainable development by stimulating economic activities and improving the welfare of host communities. Similarly, Elochukwu (2013) notes that tourism promotes community development by generating income, improving infrastructure, and encouraging cultural preservation. In Akwa Ibom State, the government has implemented various tourism initiatives aimed at promoting the sector as a driver of socio-economic development (Akwa Ibom State Government, 2020). These initiatives include the development of tourism infrastructure, hospitality facilities, and cultural attractions intended to attract both domestic and international tourists.

### **2.1.3 Tourism and Revenue Generation**

Tourism contributes significantly to revenue generation through taxes, service charges, licensing fees, and accommodation, transportation, and recreational services. According to Khalil, Kakar, and Waliullah (2007), tourism activities generate significant economic returns and contribute positively to national income and government revenue.

Similarly, Tang and Tan (2015) found that tourism plays a significant role in stimulating economic growth by increasing financial inflows into the host economy. Their study demonstrated that tourism receipts can serve as an important source of foreign exchange and government revenue.

In the Nigerian context, studies have shown that tourism contributes to internally generated revenue through hospitality services, entertainment, and cultural activities. Eja et al. (2018) examined the economic impact of tourism in Akwa Ibom State and reported that tourism activities significantly contribute to state revenue through hotel services, tourist attractions, and recreational centers.

Udoh et al. (2020) also found that tourism development in Akwa Ibom State generates significant economic benefits by increasing commercial activities and expanding the state's revenue base. Similarly, Augustine, Bernard, and Maximus (2023) observed that tourism development contributes to socio-economic development in Nigeria by stimulating economic activities that increase government revenue.

Despite these benefits, scholars such as Cochrane (2017) argue that the full revenue potential of tourism in developing countries is often constrained by inadequate infrastructure, weak institutional frameworks, and insufficient investment in the tourism sector.

### **2.1.4 Tourism and Employment Generation**

Tourism is widely regarded as a major source of employment generation because it creates both direct and indirect job opportunities. Direct employment occurs within tourism-related industries such as hotels, restaurants, travel agencies, and tour operations, while indirect employment is generated through related sectors including agriculture, transportation, and local crafts production.

Akpan et al. (2019) examined tourism and employment generation in Akwa Ibom State and found that tourism development significantly contributes to job creation through the expansion of hospitality services and recreational facilities. Similarly, Essien et al. reported that tourism development has led to increased employment opportunities in the hospitality industry within the state.

At the national level, Ekpo (2018) observed that tourism plays an important role in socio-economic development by creating employment opportunities and improving the living standards of local communities. Supporting this view, Suryawardani, Wiranatha, and Pitana (2015) argue that tourism development enhances employment opportunities by stimulating economic activities in destination areas.

Furthermore, Kozhokulov et al. (2019) found that tourism development positively influences socio-economic conditions in host communities by increasing employment opportunities and encouraging entrepreneurial activities among local residents.

However, some scholars have argued that tourism employment may sometimes be seasonal and low-skilled, particularly in developing countries. This highlights the need for professional training and capacity development to improve the quality of employment within the tourism sector.

### **2.1.5 Tourism and the Growth of Small and Medium Enterprises (SMEs)**

Tourism development plays an important role in promoting the growth of small and medium enterprises (SMEs). The sector creates market opportunities for local entrepreneurs engaged in hospitality services, transportation, craft production, and cultural entertainment.

Okon et al. (2018) examined the relationship between tourism development and SME growth in Akwa Ibom State and found a significant positive relationship between tourism activities and the expansion of small businesses. Tourism increases demand for goods and services, thereby encouraging the establishment and growth of SMEs.

Similarly, Umoren et al. (2020) identified tourism as an important driver of small business development in the state. Their study revealed that tourism activities

stimulate entrepreneurial opportunities in accommodation services, food businesses, transportation, and handicraft production.

Sawant (2017) also observed that tourism development stimulates local enterprise development by creating new market opportunities for small businesses in tourism destinations. Likewise, Gnanapala and Sandaruwani (2016) found that tourism contributes to local economic development by promoting small business participation in tourism-related economic activities.

Despite these benefits, several challenges continue to hinder the growth of tourism-related SMEs. These include limited access to finance, inadequate infrastructure, and poor institutional support. Addressing these challenges is essential to maximize the economic benefits of tourism for local entrepreneurs.

Although several studies have examined tourism and economic development globally and within Nigeria, most studies focus on general economic impacts rather than providing a comprehensive analysis of tourism's contributions to revenue generation, employment creation, and SME development within a specific state context.

While studies such as Eja et al. (2018), Akpan et al. (2019), and Udoh et al. (2020) have examined aspects of tourism development in Akwa Ibom State, there remains limited empirical research that simultaneously investigates the contributions of tourism to revenue generation, employment generation, and SME growth within the state.

Therefore, this study fills this gap by examining the contributions of tourism to revenue generation, employment creation, and SME development in Akwa Ibom State, thereby providing a more comprehensive understanding of tourism's role in socio-economic development within the state.

## **2.2 Theoretical Framework**

This study is anchored on two key theoretical perspectives that explain the relationship between tourism development and socio-economic transformation. These are the Sustainable Tourism Theory and the Tourism Area Life Cycle (TALC) Model. These theories provide a framework for understanding how tourism

contributes to revenue generation, employment creation, and the growth of small and medium-scale enterprises (SMEs) in Akwa Ibom

### **Sustainable Tourism Theory**

Sustainable Tourism Theory originates from the broader concept of sustainable development and emphasizes the need to balance economic growth, environmental protection, and social well-being in tourism development. The theory advocates that tourism should be developed in a manner that meets the needs of present tourists and host communities while ensuring that natural and cultural resources are preserved for future generations.

Sustainable tourism focuses on responsible management of tourism resources, ensuring that tourism activities generate economic benefits while minimizing environmental degradation and negative socio-cultural impacts (United Nations World Tourism Organization [UNWTO], 2020). Scholars have argued that sustainable tourism promotes long-term economic viability by encouraging responsible resource management, community participation, and environmental conservation (Butler, 1999).

The application of sustainable tourism principles can significantly enhance the socio-economic benefits of tourism. When properly implemented, tourism development can generate government revenue, stimulate local economic activities, and create employment opportunities for host communities. Furthermore, sustainable tourism encourages the participation of local entrepreneurs in tourism-related businesses such as hospitality services, transportation, and cultural enterprises.

In the context of Akwa Ibom State, the Sustainable Tourism Theory provides a useful framework for understanding how tourism development can contribute to economic growth while preserving the environmental and cultural resources that attract tourists to the state.

### **Tourism Area Life Cycle (TALC) Model**

The Tourism Area Life Cycle (TALC) Model was developed by Butler (1980) to explain how tourism destinations evolve over time. The model suggests that tourism destinations typically experience a cycle of development consisting of several stages,

including exploration, involvement, development, consolidation, stagnation, and eventually decline or rejuvenation.

During the exploration stage, a destination receives a small number of tourists who are attracted by its natural or cultural features. At this stage, tourism activities are usually limited and largely unorganized. As awareness of the destination increases, the involvement stage emerges, during which local communities begin to provide basic services to visitors.

The development stage is characterized by rapid growth in tourist arrivals and significant investments in tourism infrastructure such as hotels, resorts, and transportation facilities. At the consolidation stage, tourism becomes an important part of the local economy, although growth in tourist numbers begins to slow down. Eventually, destinations may reach a stagnation stage where tourism growth stabilizes due to environmental pressures, overcrowding, or declining attractiveness (Butler, 1980).

If appropriate management strategies are implemented, the destination may undergo rejuvenation through renewed investment and improved tourism planning. However, failure to address these challenges may result in decline.

The TALC model is particularly relevant to this study because it provides insight into the stage of tourism development in Akwa Ibom State. Understanding the stage of development can help policymakers and stakeholders implement strategies that enhance tourism's contribution to revenue generation, employment creation, and SME development.

The integration of Sustainable Tourism Theory and the Tourism Area Life Cycle Model provides a comprehensive theoretical basis for examining tourism development in Akwa Ibom State. While Sustainable Tourism Theory emphasizes responsible and balanced tourism development, the TALC model explains how tourism destinations evolve and respond to changing economic and environmental conditions. These theories help explain how tourism development can stimulate revenue generation, create employment opportunities, and encourage the growth of small and medium-scale enterprises within the state.

### **3.1 Research Methodology**

The study adopted a descriptive survey research design to examine the contributions of tourism to socio-economic development in Akwa Ibom State. The survey design was considered appropriate because it enables the researcher to collect data from a large population and obtain information on attitudes, perceptions, and experiences of respondents regarding tourism activities. The study area is Akwa Ibom State in the South-South region of Nigeria. The state lies between latitudes 4°31' and 5°32' North of the equator and longitudes 7°25' and 8°30' East of the Greenwich Meridian. It was created on 23 September 1987 from the former Cross River State and consists of thirty-one Local Government Areas with Uyo as the capital city. The state is culturally diverse and endowed with natural attractions such as beaches, festivals, traditional cuisine, and hospitality infrastructure, making it a potential tourism destination.

The population of the study comprised managers of tourism establishments, tourism programme coordinators, tourists, and other stakeholders within the tourism sector in Akwa Ibom State. A sample size of 400 respondents was determined using the Taro Yamane (1964) sample size formula, based on an estimated population of 7,557,612 at a 5% level of significance. Respondents were selected using a combination of purposive and simple random sampling techniques to ensure that relevant participants within the tourism sector were adequately represented. Data were obtained from both primary and secondary sources. Primary data were collected through structured questionnaires and interviews, while secondary data were sourced from textbooks, journal articles, government publications, and other relevant documents.

The validity of the research instrument was ensured through content validation, whereby questionnaire items were developed based on the literature and conceptual framework of the study. Reliability was tested using Cronbach's Alpha, with coefficients ranging from 0.804 to 0.823, indicating acceptable internal consistency, while the overall reliability coefficient of 0.951 confirmed that the instrument was highly reliable. Data collected from the field were analyzed using both descriptive and inferential statistical techniques. Descriptive statistics such as frequencies, percentages, and mean scores were used to summarize the responses, while Pearson Product Moment Correlation (PPMC) was employed to test the study hypotheses and

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determine the relationships between tourism development and socio-economic indicators such as revenue generation, employment creation, and SME growth in Akwa Ibom State.

#### 4.1 Presentation of Data and Result

**Table 1: Number of questionnaires administered and returned**

No. of questionnaire administered	No. of questionnaire returned	Percentage of questionnaire Returned
400	365	91%

*Source: Fieldwork, 2024.*

From Table 1, out of 400 questionnaires administered, 365 representing 0.91% were successfully returned.

**Table 2: Descriptive analysis on the revenue generation**

TOURISM AND REVENUE GENERATION	Extent of Agreement					
	SA	A	UN	D	SD	TOTAL
Tourism has not generated enough revenue to the people and the government of Akwa Ibom State	28 (7%)	2 (1%)	23 (7%)	162 (46%)	140 (39%)	365
Many people have generated enough income through tourism development	173 (49%)	158 (45%)	3 (1%)	11 (3%)	10 (2%)	365
Tourism has generated enough revenue to the people and the government of Akwa Ibom State	162 (46%)	142 (40%)	2 (1%)	28 (8%)	21 (5%)	365
Tourism has contributed to the rising rate of Gross domestic product (GDP) in Akwa Ibom State	162 (45%)	142 (40%)	2 (1%)	21 (6%)	28 (8%)	365
<b>Total</b>	<b>391</b>	<b>323</b>	<b>30</b>	<b>343</b>	<b>333</b>	<b>1440</b>
<b>Proportion of N</b>	<b>98</b>	<b>81</b>	<b>8</b>	<b>90</b>	<b>83</b>	<b>365</b>
<b>Percentage of Proportion</b>	<b>(28%)</b>	<b>(23%)</b>	<b>(2%)</b>	<b>(24)</b>	<b>(23%)</b>	<b>100%</b>

*Source: Fieldwork, 2024.*

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Table 2 shows the frequency of responses and their percentages on tourism and revenue generation. Of a proportion of 365 respondents, 98 (28%) strongly agreed to questions on the revenue generation, 81 (23%) agreed, 8(2%) were undecided, 85(24%) disagreed and 83(23%) strongly disagreed.

**Table 3: Descriptive analysis on the employment generation**

TOURISM AND EMPLOYMENT GENERATION	Extent of Agreement					TOTAL
	SA	A	UN	D	SD	
Tourism has not created enough employment opportunities to the people living in Akwa Ibom State	11 (4%)	142 (40%)	1 (.28%)	12 (3%)	189 (53%)	365
Many people have discovered employment opportunities through tourism development	173 (49%)	10 (3%)	2 (1%)	164 (46%)	6 (1%)	365
Tourism has created enough employment opportunities to the people living in Akwa Ibom State	131 (37%)	155 (44%)	13 (4%)	30 (8%)	26 (7%)	365
Tourism has reduced the rate of unemployment in Akwa Ibom State through the operation of small-scale businesses in the area	139 (39%)	141 (40%)	13 (4%)	29 (8%)	33 (9%)	365
<b>Total</b>	<b>465</b>	<b>448</b>	<b>29</b>	<b>235</b>	<b>243</b>	<b>1440</b>
<b>Proportion of N</b>	<b>116</b>	<b>112</b>	<b>7</b>	<b>59</b>	<b>66</b>	<b>365</b>
<b>Percentage of Proportion</b>	<b>(33%)</b>	<b>(32%)</b>	<b>(2%)</b>	<b>(16%)</b>	<b>(17%)</b>	<b>100%</b>

*Source: Fieldwork, 2024.*

Table 3 shows the frequency of responses and their percentages on tourism and employment generation. Of a proportion of 365 respondents, 116 (33%) strongly agreed to questions on employment generation, 112 (32%) agreed, 7 (2%) were undecided, 59(16%) disagreed and 61(17%) strongly disagreed

**Table 4: Descriptive analysis on the growth of small and medium scale businesses**

TOURISM AND THE GROWTH OF SMALL AND MEDIUM SCALE ENTERPRISES	Extent of Agreement					TOTAL
	SA	A	UN	D	SD	
Tourism has not contributed to the rising of SMES in Akwa Ibom State	6(2%)	10(3%)	2(1%)	164(46%)	173(48%)	360
Many people have ventured into small and medium scale businesses through tourism development	155(43%)	26(7%)	13(4%)	131(37%)	30(9%)	360
Tourism has served as employer of last resort through the rising of SMEs activities in Akwa Ibom State	142(40%)	23 (7%)	2(1%)	26(7%)	162(45%)	360
Tourism has contributed to the rising giant of SMEs through creation of enabling environment for small scale enterprises in Akwa Ibom State	164(46%)	155(44%)	7(2%)	19(5%)	10(3%)	360
<b>Total</b>	<b>342</b>	<b>214</b>	<b>24</b>	<b>340</b>	<b>500</b>	<b>1440</b>
<b>Proportion of N</b>	<b>86</b>	<b>53</b>	<b>6</b>	<b>85</b>	<b>130</b>	<b>360</b>
<b>Percentage of Proportion</b>	<b>(24%)</b>	<b>(15%)</b>	<b>(2%)</b>	<b>(24%)</b>	<b>(35%)</b>	<b>100%</b>

*Source: Fieldwork, 2024.*

Table 4 shows the frequency of responses and their percentages on the growth of SMEs through tourism. Of a proportion of 365 respondents, 86 (24%) strongly agreed to questions on the growth of SMES, 53(15%) agreed, 6 (2%) were undecided, 85(24%) disagreed and 125(35%) strongly disagreed.

## 4.2 Results

**Table 5: Statistical analysis showing revenue generation activities in Ibom Christmas' village, Akwa Ibom State (2019-2023)**

Year	Number of kiosks	Amount per kiosk	Total amount generated
2019	346	N90,000	N31,140,000
2020	446	N90,000	N40,140,000
2021	578	N150,000	N86,700,000

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2022	412	N155,000	N63,860,000
2023	798	N100,000	N79,800,000
<b>TOTAL</b>			<b>N301,640,000</b>

**Source: Akwa Ibom State Ministry of trade and investment report (2024).  
Punching.com**

**Table 6 Statistical analysis showing revenue generation activities in Ibeno beach in Akwa Ibom State (2019-2023)**

Year	Number of kiosks	Amount per kiosk	Total amount generated
2019	231	N50,000	N11,550,000
2020	332	N60,000	N19,920,000
2021	458	N100,000	N45,800,000
2022	598	N100,000	N59,800,000
2023	685	N90,000	N61,650,000
<b>TOTAL</b>			<b>N198,720,000</b>

**Source: Akwa Ibom State Ministry of trade and investment report (2024).  
Punching.com**

**Table 7: Statistical analysis of tourism and employment generation in Akwa Ibom State (2019-2023)**

Year	Employment at Ibom Christ mas' village through businesses	Employment at Ibeno beach through businesses	Total
2019	346	231	
2020	446	332	
2021	578	458	
2022	412	598	
2023	798	685	
<b>Total</b>	<b>2580</b>	<b>2304</b>	<b>4884</b>

**Source: Akwa Ibom State Ministry of Trade and Investment report (2024).  
Punching.com**

**Table 8: Statistical analysis showing tourism activities and improvement of SMEs in Akwa Ibom State (2019-2023)**

Year	Number of SMES in Uyo	Number of SMES in Eket	Total
2019	346	231	
2020	446	332	
2021	578	458	
2022	412	598	
2023	798	685	
<b>Total</b>	<b>2,580</b>	<b>2,304</b>	<b>4884</b>

Source: Akwa Ibom State Ministry of Trade and Investment report (2024). *Smallbusinessinsights.ng*

### 4.3 Test of Hypotheses

**Hypothesis 1:** There is no significant relationship between tourism and revenue generation in Akwa Ibom State.

**Table 9: Statistical Relationship between Tourism and Revenue Generation in Akwa Ibom State.**

Extent Relationship	The activities of tourism (x)	Revenue generation in Akwa Ibom State	X <sup>2</sup>	Y <sup>2</sup>	XY <sup>2</sup>
Very large extent	87	91	7569	8281	7917
Large extent	159	103	2528	10609	16377
Moderate extent	83	76	6889	5776	6308
Low extent	29	65	841	4225	1885
Very low extent	23	46	529	2116	1058
Total	381	381	4110	31007	33546

Source Survey Data, 2024.

0.917 ( Positive relationship)

t = 4.06 (computed) very significant

t crit @ 3;0.05 = 3.18

From the data in Table 9 above, the computation of the r value (which is 0.917) and t value (which is 4.06) is conclusive that the critical value is 3.18. Therefore, the study has rejected the null hypothesis and accepted the alternate hypothesis, which says, "There is a significant relationship between tourism and revenue generation in Akwa Ibom State."

**Hypothesis 2:** There is no significant relationship between tourism and employment generation in Akwa Ibom State.

**Table 10: Statistical Relationship Between Tourism and Employment Generation in Akwa Ibom State.**

Extent Relationship	The activities of tourism (x)	Revenue generation (Y)	X <sup>2</sup>	Y <sup>2</sup>	XY <sup>2</sup>
Very large extent	89	91	7921	8281	8099
Large extent	162	103	26244	10609	16686
Moderate extent	85	76	7225	5776	6460
Low extent	32	65	1024	4223	2080
Very low extent	13	46	169	2116	598
Total	381	381	42583	31007	33923

**Source; Survey Data, 2024.**

= 0.917 (positive relationship)

T = 4.06 (computed) very significant

T crit @ 3; 0.05 = 3.18

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The data from Table 10 are drawn to see whether there is a significant relationship between tourism and employment generation in Akwa Ibom State. From the statistical presentations above and the values of  $r$  computed (i.e., 0.945) and  $t$  computed (i.e., 5.16), it is obvious that the computed  $t$  value is greater than the figure obtained from the table, which is 3.18. Therefore, the alternate hypothesis is accepted, which means there is a significant and positive relationship between tourism and employment generation in Akwa Ibom State.

**Hypothesis 3:** There is no significant relationship between tourism and the growth of SMEs in Akwa Ibom State.

**Table 7: Statistical Relationship between Tourism and the Growth of SMES in Akwa Ibom State.**

Extent Relationship	The activities of tourism (x)	The growth of SMES in Akwa Ibom State	X <sup>2</sup>	Y <sup>2</sup>	XY <sup>2</sup>
Very large extent	89	91	7921	8281	8099
Large extent	162	103	26244	10609	16686
Moderate	85	76	7225	5776	6460
Low extent	32	65	1024	4223	2080
Very low	13	46	169	2116	598
Total	381	381	42583	31007	33923

*Source Survey Data, 2024*

0.917 (Positive relationship)

$t = 4.06$  (computed) very significant

$t_{crit} @ 3;0.05 = 3.18$

From data in Table 11 above, the computation of the  $r$  value (which is 0.917) and  $t$  value (which is 4.06) is conclusive that the critical value is 3.18. Therefore, the study has rejected the null hypothesis that says, “There is no significant relationship between tourism and the growth of small and medium scale enterprises in Akwa Ibom State.”

#### **4.4 Discussion of Findings**

The findings of the study indicate that tourism has contributed significantly to revenue generation in Akwa Ibom State. Evidence from major tourism destinations such as Ibom Christmas Village and Ibeno Beach shows that tourism-related kiosk operations generated substantial income between 2019 and 2023. At Ibom Christmas Village alone, the total revenue generated from kiosk operations during the five-year period amounted to ₦301,640,000, while Ibeno Beach generated approximately ₦198,720,000 within the same period. These figures demonstrate the capacity of tourism activities to expand the state's internally generated revenue through commercial activities associated with tourism events and destinations. The findings therefore suggest a significant positive relationship between tourism development and revenue generation in Akwa Ibom State. This result is consistent with previous studies which report that tourism contributes positively to socio-economic development and government revenue generation (Tchobanoglous, 2013). However, the finding contrasts with the position of Seadi and Holm-Nielsen (2004), who argued that tourism has limited impact on socio-economic development in certain contexts.

The study also revealed that tourism has made important contributions to employment generation in Akwa Ibom State. Tourism activities at Ibom Christmas Village created employment opportunities for numerous individuals through the establishment of temporary and permanent businesses operating within the tourism facility. The number of businesses operating at the Christmas Village increased from 346 in 2019 to 798 in 2023, with a total of 2,580 tourism-related businesses operating during the period under study. Similarly, tourism activities at Ibeno Beach generated employment opportunities for local residents, with the number of businesses rising from 231 in 2019 to 685 in 2023, resulting in a total of 2,304 jobs created over the same period. Combined, these two tourism destinations generated approximately 4,884 employment opportunities, demonstrating that tourism development can serve as an important source of livelihood for local communities. These findings support the study by Williams (2015), which found that tourism contributes significantly to employment creation and economic sustainability. However, the results differ from those of Dixon and Jones (2015), who reported no significant relationship between tourism development and economic growth.

Furthermore, the study found that tourism has contributed to the growth of small and medium-scale enterprises (SMEs) in Akwa Ibom State. Tourism events and attractions such as Ibom Christmas Village and Ibeno Beach have provided opportunities for local entrepreneurs to establish and expand businesses, including food vending, crafts sales, retail services, and hospitality-related activities. The number of SMEs operating at Ibom Christmas Village increased steadily over the study period, while similar growth was observed among small-scale businesses operating at Ibeno Beach. Altogether, a total of 4,884 SMEs were recorded across the two tourism destinations between 2019 and 2023. These findings indicate that tourism activities create a conducive environment for entrepreneurial development and small business expansion within the host community. The result aligns with the findings of Williams (2015), which reported that tourism stimulates economic activities that support small business development. However, it contradicts the findings of Dixon and Jones (2015), who argued that tourism development does not necessarily translate into measurable economic growth.

### **5.1 Summary**

This study examined the contributions of tourism to socio-economic development in Akwa Ibom State between 2019 and 2023. Specifically, it investigated the relationship between tourism and revenue generation, employment creation, and the growth of small and medium-scale enterprises (SMEs). The findings revealed that tourism activities, particularly at major destinations such as Ibom Christmas Village and Ibeno Beach, generated substantial revenue for the state and created numerous business opportunities. The results also showed that tourism significantly contributes to employment generation and the expansion of SMEs by providing opportunities for local entrepreneurs and service providers. These findings support the growing recognition of tourism as an important driver of economic development and diversification.

### **5.2 Conclusion**

The study concludes that tourism plays a significant role in promoting socio-economic development in Akwa Ibom State. Tourism activities contribute to revenue generation, create employment opportunities, and stimulate the growth of small and medium-scale

enterprises within the state. Despite these benefits, challenges such as limited infrastructure, inadequate funding, and data constraints continue to affect the effective development of the tourism sector. Addressing these challenges is essential for maximizing the economic potential of tourism and ensuring sustainable development in the state.

### **5.3 Recommendations**

- i. The Akwa Ibom State Government should strengthen the promotion of tourist attractions through effective marketing strategies, particularly digital and online platforms, in order to attract more visitors and increase tourism revenue.
- ii. The government should invest in tourism infrastructure such as hotels, resorts, and recreational facilities to enhance the tourism experience and create more employment opportunities.
- iii. Adequate security and safety measures should be ensured at tourism destinations to create a conducive environment for tourists and to support the growth of small and medium-scale enterprises operating within the tourism sector.

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