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THE EXTENT TO WHICH POLITICAL AND ECONOMIC RISKS HAVE AFFECTED THE TOURISM INDUSTRY IN NIGERIA

Objective: The study aims to determine the extent to which political and economic risks have affected the tourism industry and the economy in Nigeria. **Prior Work**: In recent times, there has been a clamour for the development of the Nigerian tourism industry but such has been beset by a spate of religious intolerance, insurgency, and changes in government, among others. There seems to be dearth of literature and empirical evidence to show the extent to which political risk has influenced tourism in Nigeria. **Approach:** Time series secondary data from the World Travel and Tourism Council, 2017 were used in the regression analysis. Regression statistical technique was used to examine the relationship between political and economic risk and tourism in Nigeria specifically between 2006 and 2017. **Results**: The study adopted a regression approach and found out that causality exists and there is a positive significant relationship between political and economic risk in Nigeria. **Implication:** The result of the relationship shows that political and economic risk have effects on tourism, and tourism has a significant impact on the economy. The significant effect of political and economic risk on tourism calls for adequate security in the country, and better legal and institutional frameworks. This will enhance the economic impact of tourism on the Nigerian economy.

Keywords: economic risk, political risk, tourism industry, Gross Domestic Product (GDP)

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INTRODUCTION

The environment in which a business activity takes place plays a pivotal role in determining if such an entity will meet its stated goals and objectives. Political and economic decisions come with associated risks. Governments of nations work towards stability and good governance in other to attract investment, businesses and people. The existence of certain constraints retards the aims and goals of such nations. According to Msehila and Anchor (2018), government institutions and structures are pivotal to formulating and implementing policies that bring about political and economic risk in an environment, and that this risk could be inherent in the environment. This risk sets the parameters that can determine the degree to which economic activities can take place. Sottilotta (2013) is of the view that that all countries of the world are faced with political and economic risk, although the degree to which it affects economic activities differs. Mshelia and Anchor (2018) on the other hand argue that the outcome of political and economic risk differs from one African country to another and that it influences decisions made by economic entities.

The changes experienced in Nigerian politics and the economy have significantly affected the general performance of the economy. Ismaila and Imoughele (2015) posit that Nigerian economic performance since independence has been unimpressive and this is as a result of the political and economic terrain. The changes in legal and institutional frameworks, the dynamics of government ideology, insurgency, religious and ethnic unrest and economic policies all play significant roles in the performance of different sectors of the economy. Erumegbe (2015) argues that the political and economic environment and the risk associated with them provide both opportunities and threats to businesses. Hall (1994) concludes that political risk includes the impact of terrorism, coups and revolutions, which have effects on businesses and the tourist industry.

Nigeria, the most populous African nation, is blessed with great cultural, historical, natural, beautiful and tourist attractions such as waterfalls, water springs, a temperate climate, historical highlands and places, and diverse rich cultural heritage. Bankole (2012) noted that Nigeria is a potential tourist paradise which boasts of historical relics, culturally active people, a variety of wildlife, captivating, great weather in different parts of the country (semi-temperate and humid, harmattan winds), beautiful vegetation and awe-inspiring waterfalls. Despite all these great tourist features in Nigeria, the Nigerian tourism industry has not exploited it to its full potential, thereby limiting the benefits to be derived from it, such as creation of employment, increase in foreign exchange revenue and economic development. Adora (2010) argues that one of the important features of the tourism industry is that it is labour intensive, which creates tremendous opportunities for employment, foreign exchange earnings, and income generation. Ayeni, Ebohon, and Taki (2011) concluded that the Nigeria tourism industry is plagued by numerous problems which include inadequate supporting institutions and framework, coupled with a lack of infrastructure. In recent times, there has been a clamour for the development of the Nigerian tourism industry, but it has been beset by spates of religious intolerance, insurgency, and changes in governments, among others. There seems to be dearth of literature and empirical evidence to show the extent to which political risk has influenced tourism in Nigeria.

OBJECTIVE OF THE STUDY

i. To determine the extent to which political and economic risk affects the tourism industry in Nigeria
ii. To examine the effect of tourism on the gross domestic product.

RESEARCH QUESTIONS

i. To what extent has political and economic risk affected the tourism industry in Nigeria?
ii. To what extent does tourism affect the GDP?

RESEARCH HYPOTHESES

1. Political and Economic Risk has no significant effect on Tourism
2. Tourism has no significant effect on Gross Domestic product.

LITERATURE REVIEW

CONCEPT OF POLITICAL AND ECONOMIC RISK

There is no clear concept as to the exact definition of political and economic risk. Poirier (1997) noted that the boundaries between economic and political risk cannot be determined precisely and that both political and economic risk are considered in the concept of Political Risk Analysis (PRA). This is so because both political and economic risk are spontaneous events that take place within a specific environment, and both create threats and opportunities for the survival of businesses. LaPalombara, Blank and Hanson (1977) concluded that political and economic risks to the existence of businesses in a country are: threat of nationalization, expropriation, and indigenization coupled with bureaucratic policies, terrorism, violence, and weak and vulnerable governments.

According to Poirier (1997), political and economic risks are policies induced by a government actions which are subject to both local and international politics, and this can work against a tourism industry. Political and economic risk are those factors which create threats and opportunities to the existence of businesses.

Sottilotta (2013) is of the opinion that political and economic risks are the changes in the politics and economics in the environment which a business exists, and these changes are difficult to anticipate, which significantly affects the performance of an enterprise. This study therefore views political and economic risks as those factors which are unpredictable and inherent in a particular area or country which affects the performance or existence of an activity or enterprise. Political and economic risks are external and internal uncontrollable factors, the occurrence and existence of which affect or promote business activities. According to the Economic Intelligence Unit (EIU 2017) the presence of twelve variables signify the presence of political and economic risk: internal conflict, investment profile, social economic conditions, corruption, religious tension, external conflict, government instability, democratic accountability, military in politics, ethnic tension, law and order, and bureaucracy.

Howell (2014) opines that political risk and economic risk cause change in the political environment, and that it is brought about by government policies which reduce the possibility of foreign investment and businesses activities.

These factors are grouped into two types. Ebru (2015) established that Political and Economic risk primarily take two forms: local and regional risk, and global risk. Local and regional risks are specific to a country, while global risks are political and economic threats and opportunities influenced by global happenings which affect the nations of the world. Mawanza (2015) noted that there are micro and macro risks. Micro risks are both firm and country specific, while macro risks are country and global specific. According to the World Bank (2011), PRA involves firm specific risk, country specific risk, and global specific risks.

NIGERIAN TOURISM INDUSTRY

According to Bankole (2012), the Nigerian tourism industry has grown in leaps and bounds but is not yet as vibrant as that of South Africa and other emerging economies. The tourism industry has contributed to the Nigerian economy at both the micro and macro levels. The micro level of contribution involves the direct and indirect effects of tourism. Tourism has a direct impact on accommodations (hotels, guest houses, chalets, etc.), food and beverages (relaxation centres, restaurants, and eateries), entertainment (night clubs and tours), transportation (car rentals, yachts, airplanes and boats) and the shopping sub-sector. The indirect impacts are on the telecommunication, airport and road infrastructures, wholesalers, services providers, and manufacturers. The macro effect tourism has on the Nigerian economy can be felt in terms of the employment created, revenue generated and foreign exchange earned from the sector. The Nigerian Bureau of Statistics (NBS 2015) noted that the Accommodation, and Food and Beverages sector contributed about 0.45% to the Gross Domestic Product (GDP) in 2012. Ekundayo (2014) posits that the Nigerian tourism industry has the potential to of diversify the economy from being dependent on crude oil alone.

The World Tourism and Trade Council (WTTC 2015) established that the impact of tourism on the Nigerian economy can be felt from three points of view, i.e. direct, indirect and induced. The direct impact includes commodities (accommodation, entertainment, transportation, entertainment, and attractions), industries (accommodation services, transport services, sport and cultural services, and rental services) and sources of spending (visitor export, resident spending, business travel spending and government spending). The indirect impact includes tourism and travel investment spending, government tourism and travel spending and effects on purchases from suppliers, while the induced impact is as a result of spending of employees in the tourism sector.

IMPACT OF TOURISM

According to Mawanza (2015), the impact of tourism can be either direct, indirect or induced. According to the United Nations Statistical Division, Recommended Methodological Framework (UNSD, RMF) 2015, the direct impact of travel and tourism on a GDP reflects the internal spending on travel and tourism (total spending within a particular country on

travel and tourism by residents and non-residents for business and leisure purposes) as well as government individual spending: spending by government on travel and tourism services directly linked to visitors, such as cultural (museums) or recreational (national parks).

The direct contribution of travel and tourism to a GDP is calculated to be consistent with the output, as expressed in national accounting, of tourism-characteristic sectors such as hotels, airlines, airports, travel agents and leisure and recreation services that deal directly with tourists. The direct contribution of travel and tourism to a GDP is calculated from total internal spending by 'netting out' the purchases made by the different tourism industries. Styness (2013) posits that the direct impact of tourism occurs in the primary sector such as in transportation, lodging, amusements and retail trade, and that the direct impact primarily focuses on changes in income, employment and sales in a country or region brought about by tourism activities. The RMF (2008) shows that the indirect impact of tourism includes the GDP and jobs supported by travel and tourism investment spending, which is an important aspect of both current and future activity that comprises investment activity such as the purchase of new aircraft and construction of new hotels and by government collective spending, which helps travel and tourism activity in many different ways, as it is done on behalf of the macro economy. For example, tourism marketing and promotion, aviation, administration, security services, resort area security services, resort area and sanitation services among others; domestic purchases of goods and services by the sectors dealing directly with tourists, including, for example, purchases of food and cleaning services by hotels, of fuel and catering services by airlines, and IT services by travel agents. The indirect impact affects most sectors of the economy. The induced contribution measures the GDP and jobs supported by the spending of those who are directly or indirectly employed by the travel and tourism sector. Styness (2013) is of the opinion that induced impact brings about changes in economic activities which are caused by household spending income earned from tourism. That is, changes in tourists' spending affect every aspect of the economy. Induced impact becomes obvious when a large employer of labour closes a plant. The impact would be felt not only by other supporting industries, but the whole local economy suffers due to a decrease in household income. The WTTC (2016) noted that the Nigerian tourism sector contributed about 4.1% to the Nigerian GDP in 2014 and 4.0% in 2015. Total employment created by the tourism industry is about 3.6% of the total jobs in Nigeria, while the total investment in tourism is 6.6% of the total value of investment in the country.

POLITICAL BARGAINING MODEL THEORY

The theory underpinning this study is the political bargaining theory. This approach looks at the interaction between government actions and multinational organizations. It looks at political and economic risk from a macro approach. Eden, Lenway and Schuler (2004) posit that the government and business organizations interact on policies at both industry and country levels and that businesses seek to obtain favourable actions from government policies. This they posit is the basis for the theory, which further states that government actions on the environment in which businesses exist should be cooperative and not conflictual in nature and that government must always take the interest of all stakeholders into account. Membership

in international organizations, businesses, consumers, non-governmental organizations, bilateral and regional accords and other important groups must be taken into consideration while making policies and commitments, so that all stakeholders would be better off and that the policies and actions in turn would contribute to the country's economic growth and lead to creation of opportunities and more resources both for the host country and all stakeholders. The theory further revealed that political and economic risk are a function of countries goals and constraints. These constraints are either internal or external, and they exist in the form of unstable or weak governments, foreign exchange problems, balance of payment deficits and difficulties.

EMPIRICAL EVIDENCE

Ebru (2015) examined the impact of political and economic uncertainties on the tourism industry in Turkey, utilizing a case study approach. The study identified global crises, political instabilities between the European Union and Russia, and domestic and regional political instabilities as types of uncertainties affecting tourism in Turkey. The study also revealed that tourism in Turkey is indirectly affected by economic crises in Russia, based on the number of tourist arrivals and statistics on tourist flow.

Ekundayo (2014) did research on strategic development and sustainability of the tourism industry in Nigeria based on theoretical and empirical points of view. Interviews, surveys, and existing literature are the sources of the data used in the study. Based on the results obtained from the research, it was revealed that there is hope for Nigeria's tourism industry. Besides that, the research also outlined the dangers of instability and government negligence on the matter concerning the development of tourism and also the benefits of encouraging, financing and supporting tourism activities in Nigeria. It is indeed advisable to note that the tourism industry is part of the developmental factors of any nation which takes its tourism industry very seriously.

Bankole (2012) did a study on the Nigerian tourism sector, its economic contributions and constraints, and concluded that international policies such as the General Agreement on Tariffs and Trade, domestic market reforms, policies, and a re-engineering of tourism are needed for a buoyant and vibrant tourism industry.

Dolnicar (2007) examined crises that scare tourists: investigating the travel-related concerns of tourists, posits that uncertainty and the intangible nature of the tourism product affect the way tourists perceived risk in their choice of tourist destination. The study concluded that risk is a vital factor in considering tourism type and destination. Similarly, Fletcher and Morakabati (2008) analyze the effects of terrorism and political instability on the level of tourism activity and associate uncertainty with personal safety and security as well as risk perception. Floyd, Gibson, Pennington and Thapa (2004) investigated the effect of risk perceptions and intentions to travel in the United States of America in the aftermath of September 2001, and revealed the relationship between perceived risk and travel intentions, and identified risks as financial risk, health risk, physical risk, crime risk, terrorism risk, social risk, psychological risk and risk of natural disasters, and concluded that these types of risk have significant impact on tourism.

Steiner (2010) investigated the impacts of political risk and violent political unrest on tourism and Foreign Direct Investment (FDI) in the Middle East and identified international non-violent government interference such as economic sanctions, foreign trade embargoes, blockades and travel restrictions as political and economic risk. The study also distinctively characterized political unrest as being related to political risk, which is differentiated from political instability.

CONCEPTUAL FRAMEWORK

Figure 1shows the linkage between political and economic risk, tourism, and economy. It shows how these variables are interrelated. The conceptual framework reveals that political and economic risk can be seen from the perspective of macro and micro risk. Macro and micro risk affect tourism. The effect on tourism could be either direct impact or indirect impact. Tourism affects the performance of the economy measured in gross domestic product (GDP).

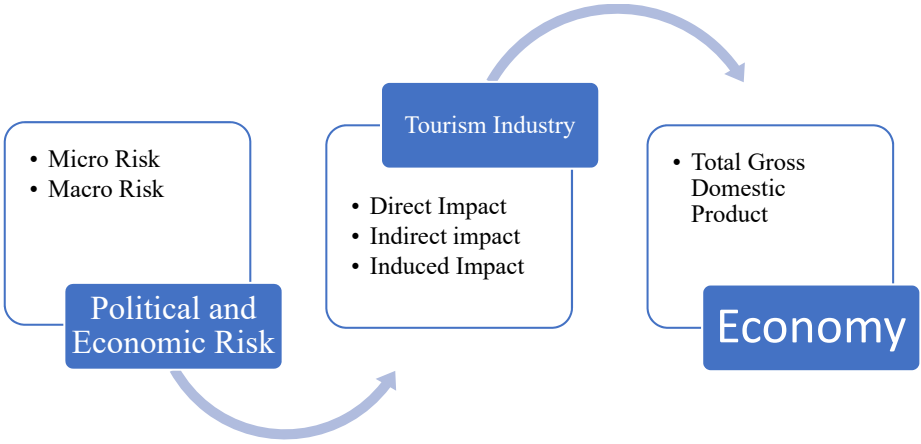

Figure 1. The linkage between political and economic risk, tourism, and economy

METHODOLOGY

Time series secondary data from the World Travel and Tourism Council (2017) were used in the regression analysis. The source was validated and is proven reliable for data on macroeconomic variables. The ordinary least square statistical technique is used to examine the relationship between political and economic risk and tourism in Nigeria specifically between 2006 and 2017. The estimation technique is feasible in terms of data requirements and less demanding, as it focuses on a relatively small set of aggregate variables instead of requiring a full specification of all the explanatory variables. It is an appropriate form of research design for ascertaining the effects of independent variables on the dependent.

The hypotheses are:

H_1: Political and economic risk has no significant effect on tourism. And H_2: Tourism has no significant effect on gross domestic product. The decision rule is of the following form: Reject Ho if $p > 0.05$.

MODEL SPECIFICATION

Hypothesis 1.

$TOU = \beta\ 0 + \beta_1 EXCHR + \beta_2 GDP + \beta_3 PSA + \beta_4 ROL + \beta_5 RQ + \mu$

TOU: Tourism
EXCHR: Exchange Rate
PSA: Political Stability and Absence of Terrorism
GDP: Gross Domestic Product
RQ: Regulatory Quality
ROL: Rule of Law
μ: Error Term

Hypothesis 2.

$GDP = B1 + \beta_1 TOU + \beta_2 EMPL + \beta_3 INVE + \mu$

GDP: Gross Domestic Product
TOU: Total Value of Tourism
INVES: Investment in Tourism
EMPL: Employment Value in Tourism Sector
μ: Error Term

MODEL OPERATIONALIZATION

This section explains the measurement technique used for each of the dependent and independent variables.

In measuring tourism, the total number of tourists into the country in a particular year was used. In this case total numbers of tourists from 2006 to 2017 were used and in the second model, tourism was measured based on the total value income received from investment. In line with the framework of UNSD, RMF (2015), political stability and absence of tourism was measured based on perceptions of likelihood that the government would be destabilized or unconstitutionally overthrown. Regulatory quality captures perceptions of the ability of the government to formulate and implement sound policies. This is measured in the Worldwide Governance Indicators. The rule of law measures the perception based on the extent to which those who govern are bound by law. The exchange rate is measured using the rate of exchange between the Nigerian Naira and the United States Dollar. The gross domestic product is measured by the total value of goods and services produced in the country and employment is measured using the total number of people employed by the tourism sector of the country.

In line with the frame work of the World Travel and Tourism Council (2017), investment was measured based on the total value of investment in tourism in the years under review.

RESULT AND DISCUSSION

DESCRIPTIVE STATISTICS

Table 1 shows the analysis of mean standard deviation reveals that the data point is close to the expected value (mean). It reveals that rule of law (2.221) is closest in explaining tourism and it has the highest value in the model.

Table 1. Descriptive statistics

Variables	Mean	St. deviation
Tourism	1.897	1.377
Regulatory Quality	1.716	1.312
Gross domestic product	1.824	1.278
Rule of law	2.221	1.381
Exchange Rate	2.142	1.454

TEST OF HYPOTHESIS

In analyzing the H_1, the study employed five variables in measuring political and economic risk. The independent variables are: Exchange rate, rule of law, gross domestic product, regulatory quality and inflation rate. These variables fall within the measures of political and economic risks as defined by the Economic Intelligence Units (EIU 2017). The dependent variable is data tourism, which is measured by the total number of tourists into the country.

H_{o1}: Political and Economic Risk has no significant effect on Tourism.

Table 2. Model summary

Model Summary				
Model	***R***	***R* square**	**Adjusted *R* square**	**Std. error of the estimate**
1	.949[1]	.901	.802	1.97182

1. Predictors: (Constant), RQ, PSA, EXCHR, ROL, INFL

The result of the analysis in Table 2 shows that there is a 94.9% relationship between political and economic risk analysis and the tourism industry. This suggests that as political and economic risk increases, tourism decreases. The coefficient of determination, which is R^2, shows that the 90.1% variation in the tourism industry is caused by political and economic risk.

ANOVA

The ANOVA results in Table 3 show the significance of the model. It is employed to test the significance of the effect of political and economic risk on tourism.

Table 3. ANOVA[2]

Model		Sum of squares	Df	Mean square	*F*	Sig.
1	Regression	176.4714	5	35.348	9.091	.015[2]
	Residual	19.440	5	3.888	–	–
	Total	196.182	10	–	–	–

1. Dependent Variable: TOU
2. Predictors: (Constant), RQ, PSA, EXCHR, ROL, INFL

The test of significance at a 5% confidence interval shows that the model is a good fit and that the null hypothesis is to be rejected while the alternative is to be accepted. The *F*-Stat is significant at 0.05 (5%) interval level ($P = 0.015 < 0.05$). This shows that the model is a good fit, thereby rejecting the null hypothesis and accepting the alternative hypothesis.

COEFFICIENTS

The coefficient table shows the contribution of each variable to the model. It reveals the significance to tourism of the variables of exchange rate, inflation, political stability, rule of law and regulatory quality.

Table 4. Coefficients[1]

Model		Unstandarized coefficients		Standarized coefficients	*T*	Sig.
		B	Std. error	Beta		
1	(Constant)	19.264	13.562	–	1.420	.215
	EXCHR	–.144	.046	–.680	–3.149	.025
	INFL	–.030	.329	–.023	–.091	.031
	PSA	3.116	.671	.785	4.647	.006
	ROL	–.237	.561	–.094	–.422	.010
	RQ	.421	.359	.261	1.175	.003

1. Dependent Variable: TOU

The result in Table 4 also shows that the inflation rate, rule of law and exchange rate analysis have inverse impacts on tourism. That is, Inflation ($\beta = -0.023$, $t = -0.91$, $P = 0.31$), Rule of Law ($\beta = -0.094$, $t = -0.42$), and Exchange Rate ($\beta = -0.680$, $t = -3.149$, $P = 0.025$). The results reveal that there is an inverse relationship between inflation, rule of law and exchange rate and tourism. That is, as inflation, rule of law and exchange rate increase, tourism decreases, and as these variables reduce in effect, tourism increases. Political Stability and regulatory quality have direct effects on tourism. As these indicate, as Political Stability ($\beta = -3.116$, $t = 4.647$, $P = 0.06$) and Regulatory Quality ($\beta = -0.421$, $t = 1.175$, $P = 0.03$), increase, tourism increases. This indicates that as these variables increase, tourism decreases. The result also indicates that political and economic risk affects tourism.

MODEL II SUMMARY

The model below shows the relationship between the independent variable (tourism) and dependent variable (gross domestic product). Investment, employment by tourism sector and total number of tourists were used in measuring tourism. The Gross Domestic Product was used as a measure of the economy's performance.

H_2: Tourism has no significant effect on gross domestic product.

Table 5. Model summary

Model	*R*	*R* square	Adjusted *R* square	Std. error of the estimate
1	.666[1]	.444	.205	159482.79841

1. Predictors: (Constant), INVEST, EMPL, TOU

The result in Table 5 shows that there is a 66.6% relationship between tourism and GDP. This indicates that as tourism increases, GDP increases by 0.382%. The coefficient of determination which is the R^2 is 44.4% and this shows that 44.4% of variation in GDP is caused by tourism, while 56.6% is explained by other factors.

ANOVA

The ANOVA results in Table 6 shows the significance of the model. It is employed to test the significance of the effect of tourism on gross domestic product.

Table 6. ANOVA[1]

Model		Sum of squares	Df	Mean square	*F*	Sig.
1	Regression	141940700754.050	3	47313566918.017	1.860	.025[2]
	Residual	178043340924.677	7	25434762989.240	–	–
	Total	319984041678.727	10	–	–	–

1. Dependent Variable: GDP
2. Predictors: (Constant), INVEST, EMPL, TOU

The *F*-Stat is significant at 0.05 (5%) interval level ($p = 0.025 < 0.05$). And this shows that the model is a good fit, thereby rejecting the null hypothesis and accepting the alternative hypothesis.

COEFFICIENTS

The coefficient result in Table 7 shows the contribution of each variable to the model. It reveals the significance of investment, employment by tourism sector and total number of tourists on gross domestic product.

Table 7. Coefficients[1]

Model		Unstandardized coefficients		Standardized coefficient	*T*	Sig.
		B	**Std. error**	**Beta**		
1	(Constant)	2.735	359119.200	–	–.074	.043
	TOU	–1.243	47024.147	–2.448	–2.102	.024
	EMPL	1.939	660267.904	2.091	1.808	.013
	INVEST	1.460	150510.162	.357	1.198	.000

a. Dependent Variable: GDP

The result also shows that total number of tourists has an indirect effect on gross domestic product. That is, as the total number of tourists ($\beta = -2.448$, $t = -2.102$, $P = 0.024$) increases, gross domestic product decreases. Employment and investment have positive effect on gross domestic product. This indicates that as EMPL ($\beta = 2.091$, $t = 1.808$, $P = 0.013$) and INVEST ($\beta = -0.357$, $t = 1.198$, $P = 0.00$) increase, GDP increases.

DISCUSSION OF FINDINGS

The result shows that political and economic risk have effects on tourism, and that tourism has a significant impact on economic performance. The analysis supports the finding of Yusuff and Akinde (2015), which shows that tourism development affects economic growth, and the findings of Poirier (1997), that political risk has a positive causal relationship with tourism. The exchange rate and inflation rate are strong variables in the analysis of political and economic risk impact on tourism. The results also show that regulatory quality and rule of law have a weak but positive relationship in the analysis of political and economic risk analysis on tourism. The analysis also shows that the findings of this study are in line with the study of Mshelia and Anchor (2018), which revealed that political and economic risk level determines the level of investment in a country. Tourism, employment and investment are determinants of the gross domestic product. There is an inverse effect of tourism on gross domestic product. That is, the proportion to which tourism is affected by political and economic risk determines the performance of the economy. Where the impact of political and economic risk is high on tourism, gross domestic product decreases, and where the effect is low on tourism gross domestic product increases.

The result reveals that there is an inverse relationship between inflation, rule of law and exchange rate and tourism. That is, as inflation increases, tourism decreases. When the exchange rate decreases, tourism increases and low incidence of rule leads to an increase in tourism. This supports the findings of Ebru (2015). Furthermore, the result also shows that the direct, induced and indirect impact of tourism has a significant impact on GDP. Employment creation and investment in tourism which are the impact of tourism on GDP are statistically relevant in the analysis of tourism's effects on the GDP.

CONCLUSION AND RECOMMENDATION

The study examined the dynamic relationships between political and economic risk, tourism and economic performance in Nigeria from 2005–2015. The study adopted a regression approach and found out that causality exists and there is a positive significant relationship between political and economic risk in Nigeria. The study established that political and economic risk are key determinants of tourism. The study also suggests that exchange rates, inflation, rule of law, political stability and regulatory quality are key determinants of political and economic risk in Nigeria. The study further reveals it is possible for high political and economic risk to exist and be compensated by high levels of tourism. This is so because of the inverse relationship between exchange rates, the incidence of rule of law, inflation and tourism. An increase in tourism will lead to an increase in the creation of employment and this brings about better performance of the economy. The significant effect of political and economic risk on tourism calls for adequate security in the country, better legal and institutional frameworks which will bring about establishment of more hotels and increase investment in tourism, better transport, create a business enabling environment with reduced interest and provide measures to enhance the value of the local currency, and more investment in infrastructure and tourism centres in order to increase tourism activities in the country. A stable and strong government will attract people to a country; therefore, the machineries of the state should ensure good governance in order to promote tourism.

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WPŁYW UWARUNKOWAŃ POLITYCZNO-GOSPODARCZYCH NA ROZWÓJ PRZEMYSŁU TURYSTYCZNEGO W NIGERII

Przedstawione w artykule badania mają na celu określenie stopnia, w jakim uwarunkowania polityczne i gospodarcze i związane z nimi ryzyko wpłynęły na przemysł turystyczny i gospodarkę w Nigerii.
W ostatnim czasie doszło do rozwoju nigeryjskiego przemysłu turystycznego, jednak przeszkadzają w tym m.in. fala nietolerancji religijnej, rebelie i zmiany w rządzie. Brakuje literatury i analiz empirycznych, aby pokazać, w jakim stopniu ryzyka o charakterze politycznym wpłynęły na turystykę w Nigerii. Artykuł wpisuje się w tę lukę. Do zbadania związku między ryzykiem politycznym i gospodarczym a turystyką w Nigerii, szczególnie w latach 2006–2017, zastosowano technikę statystyczną regresji. Wykorzystano dane szeregów czasowych z World Travel and Tourism Council, 2017. W wyniku przeprowadzonej analizy stwierdzono, że istnieje pozytywny związek między ryzykiem politycznym i gospodarczym w Nigerii. Wyniki badań pokazują, że ryzyko polityczne i gospodarcze oddziałuje na turystykę, a turystyka ma znaczący wpływ na gospodarkę. Wysoki wpływ ryzyka politycznego i gospodarczego na turystykę wymaga odpowiedniego bezpieczeństwa w kraju oraz lepszych ram prawnych i instytucjonalnych. Zwiększy to ekonomiczny wpływ turystyki na gospodarkę Nigerii.

Słowa kluczowe: ryzyko ekonomiczne, ryzyko polityczne, przemysł turystyczny, produkt krajowy brutto (PKB)