THE ROLE OF THE PRIVATE SECTOR IN TOURISM DEVELOPMENT: A CASE STUDY OF LAGOS STATE

A Dissertation Submitted in Partial Fulfilment of the Requirements for the Degree of Masters in Urban and Regional Planning (MURP)

BY
CHIMA CHIJOKE
PG/MURP/95/18484

JUNE 2000.
ABSTRACT

In the tourism industry, the private sector has been repeatedly termed the conveyor belt to its rapid development. In Nigeria, the activities of this sector are many and varied, and have provided many facilities and services for the tourists. However, their levels of performances in providing tourist resources and ancillary facilities and services have not been appropriately determined. Establishing the extent of their activities in the industry will thus create a basis for a proper assessment of the problems hindering their efforts and the implications of the nation's many problems and policies for tourism development. The goal of this research is to assess the activities of the private sector in tourism development in Lagos State. The following objectives were therefore pursued; to determine the extent of the private sector's activities and operations in Lagos State, to appraise their performances in the various sub-sectors of the tourism industry, to determine if there are differences in their levels of performances in the provision of tourist resources and ancillary facilities and services, and to specify areas of improvement and make recommendations based on research findings, amongst others.

After preliminary survey, 25 variables were identified as the key attributes of quality of resources and ancillary facilities. These variables will be used to measure performances. They include adequate electricity supply, potable water supply, aesthetics, accessibility, noise level, cost of service, security, maintenance, operational time, etc. Four research questions and two hypotheses were formulated to effectively guide the course of this study. The first hypothesis states that there are no significant performance differences in the provision of tourist resources by the private sector. While the second hypothesis states that there are no significant performance differences in the provision of ancillary facilities and services by the private sector.

Two major statistical tools were used; the Principal Component Analysis (PCA) and One Way Analysis of Variance (ANOVA). PCA was used to reduce the twenty-five quality variables
into 3 components (Infrastructure/service, environmental and management considerations) that further aggregated into a composite variable measuring performance. ANOVA was then used to summarized all the essential information in the primary variables. These components were also determine whether significant performance differences exist in the provision of the various tourist resources and ancillary facilities/services by the private sector. Based on the derived aggregate composite variable, the Relative Performance Index (RPI) distribution was developed to measure the performance levels of various private sector operations.

The research findings showed that the private sector own not less than 95% of the tourist ancillary facilities/services provided in Lagos State, while their share of the tourism resources market in the state is 48%. This study also showed that the aggregate performance level of the private sector in the tourist industry is a moderate 57%. The breakdown of the Relative Performance Index (RPI) distribution in respect to tourist resources and ancillary facilities/services is 59.14% and 54.32% respectively. The result of the first test of hypothesis showed $F\text{-Cal} = 15.81$ to be greater than $F\text{-Sig} = 4.04$ at $p > .01$. This showed that significant differences in performances exist between various tourist resources provided by the private sector. In the test of second hypothesis, $F\text{-Cal} = 17.84$ was shown to be greater than $F\text{-Sig} = 2.76$ at $p > .01$. This showed that there are significant performance differences in the provision of various ancillary facilities and services by the private sector. Thus, both null hypotheses were rejected. Further results show that of the three performance considerations – Infrastructure/service, environmental and management considerations the private sector recorded moderate scores of 66.5%, 60.5% and 50% respectively. Generally, given the present hash-operating environment, these moderate performance levels recorded by the private sector is indicative of the promising potential in developing a satisfactory tourist industry if an enabling environment is provided.