STRUCTURAL ANALYSIS OF ECOTOURISM ANCILLARY BUSINESSES IN SOUTH-EAST NIGERIA

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Abstract
The study analyzed the structure of ecotourism ancillary businesses in Southeast Nigeria. The specific objectives of the study were to identify ecotourism ancillary businesses in the study area, ascertain ownership structure and analyze sizes of capital, personnel and revenue of the business units. Multistage sampling, involving purposive and convenient sampling techniques, was used for the study. Six (6) ecotourism sites and 180 ancillary businesses were selected. Primary data were collected by the use of interview schedules and analyzed using descriptive statistics such as percentages and means. Fourteen (14) different ancillary services were identified among which the sale of fresh farm produce ranked highest (24.6%). Ecotourism ancillary businesses were found to come under 5 structural types: Sole Proprietorship (86.3%), Private/Private Partnerships (2.7%), and Community/Private Partnerships (2.1%). Others were Government (Public)/Private Partnerships (3.4%) and Private Limited Liabilities (5.5%). Average capital outlay, personnel and annual income were found to be N76,164.38.00, and N874,548.38 respectively. The study concluded that ecotourism ancillary businesses in the study area were micro firms and predominantly, Sole Proprietorships. It was recommended that ecotourism development should be pursued by communities, local and state governments in the Zone as a strategy for providing low-capital, income-yielding opportunities for the poor.
Keywords: Ecotourism, Structural Analysis, Ancillary Businesses, Southeast Nigeria

Introduction
The need for rural communities in Nigeria to diversify from agriculture-based livelihood activities has continued to elicit the interest of researchers and policymakers alike (NEWMAP, 2020; Mammud, 2019; Onyeabor and Ashiegbu, 2017; Snyman, 2017; Wondirand and Ewentu, 2019). Corollary to this is the search for strategies for creating low-hanging income opportunities for resource-poor rural dwellers (Osuji and Ibeagwa, 2014; NEWMAP, 2020). Among non-agriculture-based livelihood activities that have been promoted are mining, handcraft and small-scale manufacturing (NEWMAP, 2020; Onyeabor and Ashiegbu, 2017). However, reports also point to enormous developmental benefits inherent in the sale of abundant cultural and environmental services in the context of community-based ecological tourism or ecotourism (Onyeabor, 2016; Snyman, 2017; Wondirand and Ewentu, 2019). According to The International Ecotourism Society (TIES, 2020), ecotourism is responsible travel to natural areas that conserves the

environment, sustains the well-being of the local people, and involves interpretation and education. Similarly, the World Conservation Union cited in Hussain, 2020) defined ecotourism as environmentally responsible travel and visitation to relatively undisturbed natural areas, to enjoy and appreciate nature, that promotes conservation, has low negative visitor impact, and provides for beneficially active socio-economic involvement of local populations. In the broadest sense, ecotourism represents all nature-based forms of tourism in which the main motivation of the tourist is the observation and appreciation of nature as well as the traditional cultures prevailing in natural areas (UNWTO, 2020).

Ecotourism is widely reported to offer market-linked long-term solutions and provide effective economic incentives for conserving and enhancing bio-cultural diversity (Bello, Carr and Lovelock, 2016; Wondirad and Ewentu, 2019; Aseres and Sira, 2020). It is an effective vehicle for empowering local communities to fight against poverty and to achieve sustainable development through increasing local capacity building and employment opportunities (Sakhile and Urmilia, 2016; WTTC, 2017; Giriwati, Hawa, Pamumgkas, Iyati and Hidayat, 2019). For many less developed countries, tourism in general and particularly, ecotourism, is an opportunistic development option offering an important window for economic diversification (Chok and Macbeth, 2007; WTTC, 2017; Chikezie, 2019). As reported by Abraham (2015) and William and Lawt (2015), ecotourism creates opportunities for men, women and youths by catalyzing the development of numerous ancillary businesses - from the sale of fresh farm produce to food vending, transportation, accommodation and sale of souvenirs.

Ecotourism is diverse in the benefits provided, business ownership types, and program delivery opportunities. Developing ecotourism businesses provides countless benefits to individuals and communities such as generating incomes, providing jobs, developing new skills, and conserving natural areas (Lawal, 2013; Chikezie, 2019; Bustam and Stein, 2021; Aseres and Sira, 2020; Onyeabor, and Ashiegbu, 2020). Ecotourism businesses are comprised of various ownership models that offer a range of services or products. Ecotourism business models include private ownership, public agency ownership, and public-private partnerships (Wyman and Stein 2007; Chikezie, 2019; Bustam and Stein, 2021A).

Public agencies also participate in ecotourism businesses by providing visitor services within protected and conserved natural areas. Bustam and Stein (2021A) reported this sort of public involvement in the ecotourism business in Florida, United States of America where public agencies offer fee- and non-fee-based education and interpretation programs to visitors such as guided recreation trips. In addition, public agencies operate ecotourism businesses under public-private partnerships (Lawal, 2013; Snyman, 2017; Bustam and Stein, 2021A). Such arrangements are often sought by public agencies lacking financial or physical resources to offer visitor experiences. As observed by Snyman (2017) and Bustam and Stein

(2021A), public-private partnerships often result in profit sharing between the private business owner and public land agency. Private ecotourism businesses are independent entities that have the natural, physical or human resources needed to provide ecotourism services or products. For instance, individuals with private ownership of ecotourism businesses own the land and natural attractions needed to put their ecotourism activities in operation or those resources needed to manage businesses such as transportation, accommodation and food service (Lawal, 2013; Bustam and Stein, 2021B).

Lawal (2013) reported that there was prevalence of small private businesses in the Ogun State tourism industry. He further reported that more than half (52.6%) of the tourism businesses in the State employed between 5-10 workers while 21.0% employed 11-15 workers. Furthermore, the author observed that there were different types of economically active private investments in ecotourism sites in the State including Resort centre (39.2%), the Botanical garden (17.4%), and Water recreation (26.1%). About thirteen (13.1%) of the businesses produced Wildlife Souvenirs while 4.2% were Zoological gardens. The range of capital invested in ecotourism in the State was N3, 155,000 to N25, 012,000 per year. The author calculated the NPV on ecotourism site investments in the State which showed that all the investments were profitable at 25% and 35% interest rates. Accordingly, Lawal (2013) showed that the IRR for ecotourism investments in Ogun State was high, ranging from 57.2% at minimum to 137.4% at maximum returns. The benefit-Cost ratio was reportedly, greater than one (from 1.14 – 1.80). Hence, investments in ecotourism were worthwhile as benefits from investments exceeded costs for the period of the operation of the enterprises investigated. The return on investments was positive and higher than the interest rate (25%), which proved the enterprises were profitable.

According to Bustam and Stein (2021A), the following conditions must be critically determined before any successful investment in ecotourism: First, what is expected of this brand of investment? Is it a way of living, or is big fast money-spinning? Secondly, does the proprietor have the financial capacity to build this business up, market it, and operate it for the first three to five years? Thirdly, the investor must know that the ecotourism business is a self-demanding activity with lots of personal dedication and gradual economic compensation compared with regular jobs. According to the researcher, a proper response to these questions lies in an accurate business plan, which depends on reliable market information, a great deal of personal commitment, and a bank loan which should never be higher than 65% of the total amount of investments. An investment plan in the ecotourism industry, according to Goeldner et al. (2009), should also include the structure of the ecotourism business (e.g., private, public-private partnership).

In addition, this plan would include the identification of personal values, the creation of a mission and vision statement, and the development of the goals and objectives of the business. This component of the plan is

particularly important since ecotourism operations are often not driven by profit maximization but include environmental protection and improved quality of life in addition to economic profit (Bustam and Stein, 2021B). Furthermore, Lawal (2013) demonstrated that the state of socioeconomic infrastructure such as the condition of roads and their network, availability of potable water, power supply, state of waste management, communication infrastructure and security affect investment in ecotourism. Similarly, Lawal (2013) underscored the disposition of host communities and general business climate as factors that also affect ecotourism investment.

Objectives

The objectives of the study were to identify the types of services rendered to tourists at ecotourism sites; ascertain the ownership structure of business units that provided such services; analyze the sizes of capital, personnel and revenue of the business units.

Methodology

Descriptive method was adopted in the study. According to Nassaji (2015), the goal of descriptive research is to describe a phenomenon and its characteristics, which agrees with the goal of this study. The method is more concerned with *what* rather than *how* or *why* something has happened and allows for a more in-depth examination and understanding of the population or phenomenon and their behaviors and experiences. Put in another way, descriptive research concerns itself primarily with describing the nature of the subject or phenomenon without dwelling on why it occurs (Nassaji, 2015; Manjunata, 2019).

A multistage sampling procedure was adopted in the study. The first stage involved a random selection of three states through a ballot system. The states were Ebonyi, Enugu and Imo States. The second stage involved a purposive selection of the two most visited ecotourism sites and consequently, the host communities from each of the selected states making a total of six ecotourism sites and six host communities. The selected ecotourism sites were Ndibe and Unwana Sand Beaches in Ndibe and Unwana communities both in Afikpo North Local Government Area of Ebonyi State; Awhum Waterfall in Awhum community of Udi Local Government Area and Ezeagu Tourism Complex in Obunoffia Ndiuno Community of Ezeagu Local Government Area of Enugu state; and Oguta Lake in Oguta II community of Oguta Local Government Area and Nekede Forest Reserve and Zoological Garden in Nekede Community in Owerri West Local Government Area of Imo State. In the third stage, 30 business units that provided services to visitors at the ecotourism sites were conveniently selected from each of the six host communities to give a total of 180 who were interviewed. Primary data were collected using a structured questionnaire. Data collected were analyzed using percentage frequencies.

Background Information of the Study Areas

The study was conducted in the southeast geopolitical zone of Nigeria, which comprised the five Igbo-speaking states of Abia, Anambra, Ebonyi, Enugu and Imo. The Southeast Zone has an approximate total land area of 78,612 km2 and lay between longitude 4^{0}30' and latitude 71^0 5. According to NPC (2018), the total population of the area was about 22 million people. The major economic activity of the people is farming which is combined with other non-farming activities in varying degrees (Onyeabor and Ashiegbu, 2017). The area is located in the rainforest area where two predominant seasons prevail-namely, rainy season (April –October) and the dry season (November – March). The area is richly endowed with cultural, historical and environmental resources, including beaches, caves, and freshwater and salt lakes. Others include forests, waterfalls, native fish conservancies and zoological gardens. The area has the potential to become an ecotourism hub when these resources are fully developed.

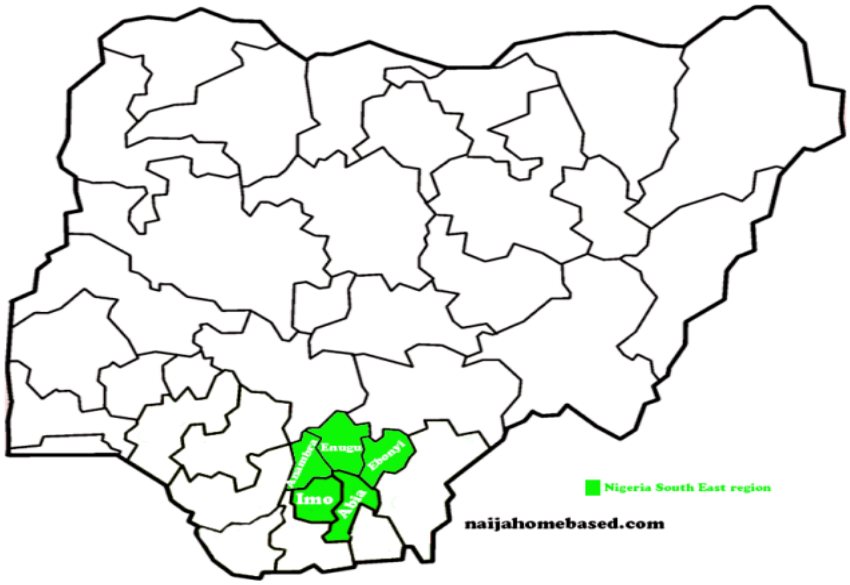


Figure 1: Map of Nigeria showing Southeast Nigeria
Source: https//www.nijahomebased.com

Results and Discussion

Results are presented and discussed in line with the objectives of the study.

Types and ownership structures of identified ecotourism services-providing businesses

Fourteen (14) different services rendered to tourists were identified in the study area. They included guiding and interpretation, sale of fresh farm

produce and restaurant services/ food vending. Others include the sale of general goods, accommodation services and the production/sale of artifacts. Transportation services- including bus, taxi, tri-cycle, motorcycle and boat/canoe driving were also rendered to tourists among other services such as photography, music/ entertainment, boat making/mending, ticket issuing and luggage bearing. Table 1 shows the percentage distribution of the various ecotourism services rendered. From Table 1, most firms (24.6%) were involved in the sale of fresh farm produce- fruits, vegetables and tubers to visitors. Following this, in order of predominance, were restaurant services/food vending (18.5%), transportation (15.7%), guiding and interpretation (12.3%) and sale of general goods (9.5%).

Table 1: Percentage Distribution of Ecotourism Services/Businesses According to Type and Business Structure

Type of services	**Structure of business**					
	SP	**PPP**	**CPP**	**GPP**	**PLL**	**Total**
Sale of farm produce	36 (100%)	0	0	0	0	**36(24.6%)**
Guiding/Interpretation	13(72.2%)	0	0	5(27.8%)	0	**18(12.3%)**
Sale of general goods	14(100%)	0	0	0	0	**14(9.5%)**
Restaurant/Food vending	27(100%)	0	0	0	0	**27(18.5%)**
Accommodation services	0	0	0	0	8(100%)	**8(5.5%)**
Transportation	21(91.3%)	2((8.7%)	0	0	0	**23(15.7%)**
Boat transportation	0	0	3(100%)	0	0	**3(2.1%)**
Boat making/Repairs	3(100%)	0	0	0	0	**3(2.1%)**
Production/Sale of artifacts	6(100%)	0	0	0	0	**6(4.1%)**
Music/Entertainment	2(50%)	2(50%)	0	0	0	**4(2.7%)**
Photography	2(100%)	0	0	0	0	**2(1.4%)**
General services	2(100%)	0	0	0	0	**2(1.4%)**
Total	**126(86.3%)**	**4(2.7%)**	**3(2.1%)**	**5(3.4%)**	**8(5.5%)**	**146(100%)**

Source: Field survey, December, 2021

Legend: SP= Sole Proprietorship; PPP= Private/Private Partnership; CPP= Community/Private Partnership; GPP= Government/Private Partnership; PLL= Private Limited Liability Company

The ownership structure of the ecotourism services-providing firms was analyzed to gain insight into the composition of the beneficiaries of ecotourism opportunities in the study area. Five different structural types were identified with ecotourism services in the study area, namely: Sole Proprietorship (SP), Private-Private Partnership (PPP), and Community-Private Partnership (CPP). Others were Government-Private Partnerships (GPP) and Private Liability Companies (PLL). From Table 1, 86.3% of ecotourism businesses in the Zone were owner-run or family businesses (Sole proprietorship); 2.7% were Private/Private Partnerships while 2.1% were Community/Private partnerships. Furthermore, 3.4% of the firms were Government (public)/Private Partnerships while 5.5% were Private Limited liabilities.

Table 1 further demonstrates the predominant structural formations under which particular ecotourism services were rendered. About 62% of all service types identified in ecotourism sites in the study area were rendered under 100% Sole Proprietorship. These included the sale of farm produce, the sale of general goods and restaurant/food vending. Others were Boat making/repairs, Production/sale of artifacts, Photography and General services (which included luggage bearing and loading/unloading of vehicles). Road transportation was provided under 91.3% Sole Proprietorship and 8.7% Private-Private Partnership; Guiding and Interpretation services were delivered under 72.2% Sole proprietorship and 27.8% Government-Private Partnership while Music/Entertainment was delivered under 50% Sole Proprietorship and 50% Private-Private Partnership. Boat transportation was rendered under a 100% Community-Private Partnership. On the other hand, Accommodation services were provided under 100% Private Limited Liability.

Size of Ecotourism Businesses

The sizes of ecotourism businesses were investigated to further understand the segment of the community that benefited from the economic opportunities provided by ecotourism development. Small-sized businesses were more likely to have been owned by the low-income group. To determine the sizes of ecotourism businesses, the business capital, number of persons employed and annual income was considered.

Size of Business Capital

The size of business capital was analyzed to ascertain the scales of operation of ecotourism businesses. The result is presented in Table 2.

Table 2: Percentage Distribution of Ecotourism Services-Providing Firms According to the Size of Business Capital

Business capital (N)	Frequency	Percentage (%)
≤ 1000	8	5
1001-5000	32	22
5001-10000	16	11
Sub-total	**56**	**38**
10001-20000	16	11
20001-30000	13	10
30001-40000	12	8
40001-50000	11	7
Sub-total	**52**	**36**
50001-100000	16	11
100001-500000	12	8
>500000	10	7
Sub-total	**38**	**26**
TOTAL	**146**	**100**

Source: Field survey, December, 2021.

Table 2 shows that 56 businesses (or 38%) had capital of not more than N10,000; 52 businesses (or 36%) had capital of between N10,000 and 50,000, while 38 businesses (or 26%) had capital above N50,000. Six (6) businesses (or 4%) had capital of N500,000 and above. Table 2 also shows that 108 of the total 146 businesses (or 74%) had capital of not more than N50,000. The average capital outlay for ecotourism businesses in the area was N76,164.38. This, therefore, demonstrates that micro-enterprises dominated the provision of ecotourism services in the study area. This result implies that the promotion of ecotourism development in the area will more likely provide income opportunities to the poorest of the poor.

Size of Personnel

In the study, only those directly engaged in the provision of services to ecotourists were reckoned with as employees of such businesses. For instance, members of the family of a Sole Proprietor who were not directly involved in the business of providing services to ecotourists were not counted as employees of the firm. Results (presented in Table 3) provided additional insights into the sizes of micro-level ecotourism operations in the area as well as the contribution of ecotourism to employment generation in the local economy.

Table 3: Percentage Distribution of the Number of People Employed by Ecotourism Businesses by Structural Types

Structure of Business	Total Employee	Average Employee
Sole Proprietorship	138	**1**
Private/Private Partnership	1 4	**4**
Community/Private Partnership	16	**6**
Government/Private Partnership	7	**1**
Private Limited Liability	75	**8**
Total	**250**	**-**
Overall average	-	**2**

Source: Field survey, December, 2021

Table 3 shows that sole proprietary businesses employed an average of 1 person per firm. Private limited liabilities, Community/Private partnerships and Private/Private partnerships employed an average of 8, 6, and 4 persons respectively. The general average number of employees by ecotourism business firms was 2. The result therefore, shows that, in terms of the number of employees, as was with the size of capital, ecotourism services-providing businesses were micro-enterprises. Once more, this implies that ecotourism development is pro-poor.

Size of Income

Annual incomes of ecotourism businesses were obtained and categorized as presented in Table 4.

Table 4: Percentage Distribution of Ecotourism Services-Providing Businesses According to Income

Income range (N)	Frequency	Percentage (%)
<250 000	13	9
250001-500000	21	14
500001-750000	29	20
750001-1000000	42	29
1000001-5000000	34	23
5000001-10000000	7	5
TOTAL	146	100

Source: Field survey, December, 2021

Table 4 shows that 23% of the businesses earned annual ecotourism income of N50,000 or less per year (N135.99 or less per day); 43% earned N750,000 or less per year (N2,054.79 or less per day) while 72% earned N1,000,000 or less per year (or N2,739.72 per day). Some 28% of the businesses earned from N1,000,001 to N10,000,000 per year (from N2,740 to N27,400 per day). The average ecotourism income per business was N874, 548.38 per year

(N2,396.02 per day). This result further proves that ecotourism businesses in the area were small businesses and hence, ecotourism development in the area was pro-poor.

Conclusion

Fourteen ecotourism ancillary businesses were identified on ecotourism sites across the study area. These included guiding and interpretation, sale of fresh farm produce, restraint services/food vending among others. The businesses were majorly sole proprietorship but also included private-private partnership, community-private partnership, Government-private partnership and private liability companies. The sizes of capital, personnel and revenue of the businesses show that they were predominantly micro or small businesses. The study concluded that businesses that provided ecotourism ancillary services in the study area were predominantly sole proprietorship and micro firms and therefore, most likely to be owned by the low-income group. It was, therefore, recommended that ecotourism development should be pursued by State and Local Governments in the Zone as a way of providing low-capital, income-yielding opportunities to the poor.

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