# THE SOCIO-ECONOMIC IMPACT OF TOURISM IN AZAD KASHMIR: A CASE STUDY OF DISTRICT POONCH

BY

Kiran Sohrab



## NATIONAL UNIVERSITY OF MODERN LANGUAGES, ISLAMABAD

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## THE SOCIO-ECONOMIC IMPACT OF TOURISM IN AZAD KASHMIR: A CASE STUDY OF DISTRICT POONCH

By

#### **KIRAN SOHRAB**

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To

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#### THESIS AND DEFENSE APPROVAL FORM

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**Thesis Title**: The Socio-Economic Impact of Tourism in Azad Kashmir: A Case Study of District Poonch Submitted by: Kiran Sohrab **Registration #:** 1840-MPhil/Eco/19 Master of Philosophy Degree name in full **Economics** Name of Discipline Dr. Saif-Ul-Mujahid Shah Name of Research Supervisor Signature of Research Supervisor Dr. Malik Saqib Ali Name of HOD Signature of HOD Prof. Dr. Muhammad Zahid Iqbal Name of Dean (FMS) Signature of Dean (FMS)

Date

#### **AUTHOR'S DECLARATION**

I, Kiran Sohrab Daughter of Muhammad Sohrab Khan	
Registration # 1840-MPhil/Eco/19	
Discipline Economics	
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#### **ABSTRACT**

Tourism plays an important role in the welfare of a country like Pakistan. The aim of the study is to show the impact of tourism on the socio-economic status of the inhabitants of Poonch, Azad Kashmir. The study is based on purely primary data. Mix method was used to get the data. Moreover, Ordinary least square (OLS) technique used for the outcomes of the results. The findings show that socio-economic indicators such as education, health, employment, income and consumption expenditure has positive impact on the tourism.

**Keywords:** tourism, tourists, Kashmir, Poonch, employment, education, health, income, etc.

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#### **DEDICATION**

This thesis is dedicated to my family specially my parents for his love, endless support and encouragement. Dad you are in my every breath.

Also Dedicated to

My Teachers

#### **CHAPTER 1**

#### INTRODUCTION

#### 1.1 Background

In the world, tourism has evolved into one of the largest economic sectors contributing 35% of global exports of services (SNV, 2010). Similarly, tourism has become an emerging field in world also as many countries are ranked among the most beautiful countries in the world with the inception of foreign and inborn tourism. According to Wall and Mathieson (2006), Tourism has involved into one of the largest economies in this rapid growth and globalization era. It has a significant effect on Gross domestic product (GDP) and the economic share of employment improves in many countries (Malik et al., 2010). Tourism and the tourism sector observed as the emerging economic activities all over the world. Moreover, it has various optimistic effects on the economy, such as boost education, improved employment ratio, refined hoteling, cultural altercations, and recovering currency exchange rate etc. (Ajala, 2008).

The social activity of tourism whether take place within the state or across the border, brings about an exchange of various crucial resources resulting in the generation of economic activities. Therefore, tourism contributes to the state's economy in various ways, like it improves economy financial growth, capital advancement, improved the state currency value, boost exchange rate, and contribute to socio-economic growth (Lee and Janm2019). Furthermore, Lindberg and Johnson (1997) elaborated that tourism is essential to established international trade by the quickly emergent international exchange assets or reserves. Precise essential features of the tourisms compel scholars of few countries to consider it a key ingredient for the exports (Scheyyens and Russell, 2012).

Theoretically, tourism is reckoned as a glob's principal industry that provides divergent ways to achieve community development (Sharpley, 2002). Because of the tourism predominant reputation for community, researchers have shown keen interest to understand the significance of tourism for local and community development. This increasing interest is subjected to the plausible facts that tourism can have both, positive and negative effects on local communities involved. Therefore, to gauge the importance

of tourism for local economy it is vital to understand the community's perception to tourism (Ap, 1992).

The total share of tourism is 10% in the world economy. According to the published documents of World Tourism Organization (WTO) 2018, global tourist was \$1.3 billion per day across different countries. Further, divergent theories explains that the fundamental importance of tourism for local economy is its potential to create jobs and income opportunities for local residents which in turn can increase their standard of living. Thus, local residents find tourism as an alternative to increase their standard of living, income and employment by creating jobs (Akis et al., 1996). These impacts are easily observable as the tourists directly interact with local people, economy and environment. Therefore, it is pivotal to consider the importance of tourism under the headings of economy, environment and development.

The contribution of tourism varies across the countries depending upon tourist-related avenues, i.e., demographics, culture, etc. In the context of overall South Asia region, the total share of tourism in GDP was 8.9% in 2017 that increase to 9.00% in 2018 and 9.4% in 2028. Moreover, in the year 2017, tourism contributes to 7.5% in employment creation while such contribution was increase to 7.6% in 2018 and by the year 2028 precise contribution will be 7.8% respectively (Tsundoda and Mendlinger, 2009; Lapeyre, 2010 & Gursoy et al., 2010).

Like Asian continent, the developing economy of Pakistan provides the best tourism destination because of multi-faceted factors. Owing to its multicultural nature, it attracts millions of tourists annually, which can substantially contribute to its economy in the farm of financial and capital assets. According to the World Travel and Tourism Council, tourism in Pakistan shares a significant percentage almost 2.9% of its GDP (Krstic et al., 2016) annually. Pakistan has a lot of potentials to become international tourist point of the world due to its rich and diverse culture and landscaped (Jalil et al., 2013). It consists of four different provinces where each province has a different culture, food, music, and art which can substantially attract millions of tourists yearly. 793 billion (equivalent to Rs: 4.0 trillion or US Dollar 14 billion in 2021) constituting 2.7 of the total GDP by 2025 the govt predicts tourism will contribute Rs 1 trillion (US dollar 3.5 billion) to the Pakistani economy.

In addition, Gilgit-Baltistan and the northern region of Pakistan offer scenic views and mountains like the Karakoram, the Hindukush, and the Himalayas, which help this country, attract many tourists yearly. The social impact in the form of diversified languages and another way of life was very appealing for both locals and tourist. Most importantly, annually, Pakistan received almost 1.458 billion tourists before the global crisis which share significant amount to GDP growth (Blanke and Chiesa, 2011 and Arshad et al., 2018). However, in the previous few years, the Pakistan tourism has been affected by political unrest, law and order disaster and terrorism. However, from 2015 onward, things settled to change for the better and mitigated the inverse situations; thus, tourism improved. Visitor exports created 4.6% of overall exports in 2016; the overall input of GDP was PKR 2,349 bn in 2017; this is 8.4% of GDP and is predicted to rise by 5.8% to PKR 2,486 in 2018. In 2017, T&T generated 1,493,000 jobs; this is 2.5% of overall employment in 2018. In 2018, the predicted growth rate of the sector was 7%. In 2017, and Tourism & Tourism investment was PKR410.4bn, 9.1% of overall investment (Hameed et al., 2017).

The success of many economies around the world, especially those like Pakistan, depends on the tourism industry. Tourism in host locations has a number of benefits. Tourism boosts economic output, generates tens of thousands of employment, improves the nation's infrastructure, and fosters cross-cultural understanding between visitors and locals. In numerous locations, tourism generates a sizable number of jobs. These employment can also be found in the agriculture, transportation, health, and education sectors in addition to the tourism industry. Foreigners can learn a lot about different cultures through tourism, but locals can also benefit greatly from it. It makes it possible for emerging businesspeople to introduce fresh products and services. Buckley, R. (2012).

Tourism can be a billion-dollar sector in Pakistan, assuming there is knowledge and strategy on the side of stakeholders to build the tourism culture. On the basis of its capacity to provide tourists, particularly international visitors, with basic facilities, a country's image and reputation are evaluated. Why can't Pakistan, a country blessed with breathtaking natural beauty, create more revenue from tourism than other European countries like Switzerland, France, the UK, Italy, and Greece, which each generate several hundred billions annually, as well as India and China, who each generate more than \$20 billion annually?

The nation has numerous historical and religious monuments that attract large numbers of foreign tourists. The north of Pakistan is noted for its mountains, glaciers, lakes, and forests, which draw tourists from both within and outside of the country. Niñerola, A., Sánchez-Rebull, M. V., & Hernández-Lara, A. B. (2019). The lush green mountains of Azad Jammu and Kashmir have seen a sharp rise in tourism over the past twenty years. The region now has the potential for significant economic and social growth as a result of this growth. For both inhabitants and visitors as well, AJK's vast natural beauty, archaeological and historical resources, as well as the state's growing past the past, continue to be very appealing. Saarinen, J. (2006)

#### 1.1.1 History of Kashmir and Tourism.

Geographically Azad Kashmir is located at 73.26 to 80.30 longitudes and 32.37 to 36.58 latitudes. It is located in the heart of the Central Asian part as directly it is a piece of Central Asia. Geographically its borders are attached to four big states. On the northern side of Azad Kashmir China and Tajikistan are located while on the southern side, most important Pakistan and India are located. Azad Kashmir covers 13297 square kilometers (Hameed et al., 2017). The main sources of water in the region are the Jhelum, Neelum, and Poonch, which meander through the Himalayas. The peak of Jmagarh and the bottom parts of the Himalayan Mountains are included in Azad Kashmir's northern section (4,734 meters). Serawali-Peak (6326 meters), located in the Neelum region, is the country's tallest peak. Azad Kashmir is among the most picturesque areas in the region due to its landscape, which features hilly landscapes, arable lands, and lush greenery (Asad, 2009). The temperature of Azad Kashmir is rainy and cold most of the time. Both the warm as well as the cold temperature provide precipitation to the area. Azad Kashmir's wetter places in which Muzaffarabad (the capital of Kashmir) and Azad-Patan are the rainiest areas. The rainy season surpasses (1400 mm) in the majority of the areas, with Muzaffarabad having the greatest amount of rain at around (1800 mm). Due to the severe snow dissolving and rains that occur in the summertime, monsoon floods occur in the rivers of Neelum and Jhelum are frequent (Bhatt, 2013). However, about the population analysis of Kashmir then according to the "2012 census report of Population" The overall inhabitants of Kashmir are 3.9 million, among these 49.82% are female and 50.18% are male residences. The majority of people, around 99.9% are Muslims. Many people reside in towns that are situated on the Hilly areas or in their lowlands. Correspondingly, the ratio of rural to

urban areas is 88:12, which mean among 100 persons 88 lives in rural areas while contrarily 12 reside in urban region. Here, the average expected family size is 6 to 7 persons in each house. While, the level of literacy, according to 1998 census was 55% which has risen to 64% in quite recent era (Ghulam, 2019).

#### **1.1.2** Economic Impact of Tourism

Tourism is a global phenomenon in which different casts, nations, cultures, boundaries, and food are involved. It has a long history because human is curious and like to see beautiful natural sights, especially in the era of globalization and rushy areas of urban civilization people needs to go to natural places for their peace of mind and relaxation To fulfill the need of tourist and giving satisfactory facilitation and sights the tourism is a sector which is contributing a scalable part the world's economy (Filiposki & Ackovska, 2016). According to the statistical data on tourism in the world, its contribution to any nation's economy has increased by 3% annually since the last decade. It is not only beneficial for the economy of any region but also a source of such consumers which belong to the international border most of the time. It means it is a course of exchanging culture and other activities and a source of the development of the livelihood of the loan people who are hosting such consumers (Usman, 2021).

The improvement in economic conditions is the primary advantage of tourism to a region or a nation. For instance, tourism opens up opportunities for generating cash and jobs at the international, national, regional, and local levels. The influx of money into cities and rural areas due to tourism can benefit local and regional economies, which in turn encourages new business endeavors and promotes a more favorable perception of a location (Selvanathan et al., 2021). The local economy benefits from the creation of new jobs when a place becomes a well-known tourist destination, and tourists increase business at nearby shops and restaurants. Revenues can be put to better use by enhancing community amenities like recreation facilities, shopping malls, entertainment venues, and infrastructure, as well as by enhancing local services like transportation and infrastructure. A payment balance is a statement that examines the importation of capital goods and foreign currency into a certain country.

The local population had more employment opportunities thanks to tourism, which lessened their reliance on their families for financial support, especially the younger generation. As a result, they now prefer to live in nuclear families rather than

stepfamilies, which has weakened family structures and social ties in comparison to how things were before tourism development in their region. On the other hand, some local people believed that tourism contributed to the cohesiveness of their families since it gave them jobs, which allowed them to stay at home with their families and properly raise their children rather than move away for work (Meo & Kanwal, 2022).

It is a critical part of understanding the impact of tourism on the behavior and attitude of the local population of the area. In the literature, both positive and negative impact of tourism on the residents has been found, specifically the socio-economic effects are analyzed under the positive effects domain. Tourism is a sure source of positive development in the field of economic and social well-being of the local community of that area (Timothy, 2021).

Many exploration studies have found that the tourism industry significantly affects the economies of objective countries. Different tourism specialists and researchers concentrated on the financial effects of tourism. Some contended that the travel industry partakes in pay age and worked on the way of life and some other researchers concentrated on the monetary effects of the tourism industry. Some contended that tourism partakes in pay age and worked on the way of life perceiving that it raises charge incomes. The major monetary effects of tourism are connected with work and pay age, commitment to government incomes, unfamiliar trade profit, and so forth. The tourism department has supported businesses and ventures, made a valuable commitment to the equilibrium of installment, and changed land use and monetary design (Momsen & Torres, 2008).

Many other researchers have also discussed the negative impact of tourism as well for example, as per Torres and Momsen (2004) portray that "tourism development usually results in increased reliance on imports that is, in turn, compete with or reduce the growth of a local small industry and agriculture, while also draining the valuable foreign exchange assets". In developed countries tourism equipment and many other attractive things which can be bought are locally handmade or manufactured and produced by multinational and national companies as they are the major source of generating income nationally and locally as a great benefit for job seekers and it also produces some great chances of having a job for the locals. So the imported materials and precious items will be brought to the famous tourist places then it would hurt the economy of the country and the economy of that local area as well. So, it is the job of

the government that they should manufacture the product which is famous according to that tourist spot and they should produce employment opportunities for the locals through which they can earn a good amount of money and can be beneficial for the country (Momsen & Torres, 2008)

#### 1.1.4 Tourism Impact on Standard of Living

As has been discussed before also that tourism generates great employment opportunities and produces many ways of earning money and generating income which is beneficial for the country and for the local people especially those living in AJ&K as well. This strategy improves the standard of living of the people who are living in those tourist spots especially those located in the beautiful Azad Kashmir valley and provides them the opportunities to improve their lifestyle more and more. The creation of revenue and jobs, in return, boosts the regional (AJ&K) economy and raises the level of lifestyle by supplying advantages in the form of products and services (Akram et al., 2021).

For example, tourism contributes the most to the Economy in Maldives. One in every 1.7 employment, or around 57% of all occupations, is produced by the tourism market. For many years, the main generator of revenue and international currency earnings was the tourism industry. This has aided the administration in allocating financial resources for enhancing the state of the education and health systems. Between 1977 and 2004, there were nearly 60 % lower than those obtained in death rates and a 70 percent rise in education. So, from this point of view and example, it can be judged how tourism can change the life of people and how it can put a really good positive impact on the lifestyle of the people (Marin, 2015).

The host communities' altered domestic values and norms and the structure of society are one of the major social effects of tourism. Using the female job system in the tourism market appears to be a desire, according to Hashimoto (2002). As they work in the traditional forms of employment in underdeveloped countries, women have higher salaries compared to men. This helps women to take a significant part in their family and community, which eventually leads to modifications to the traditional family and the social-political class (Liu, Sheldon, & Var, 1987).

#### 1.2 Statement of the Problem

An increase in tourism for any state has become the most fundamental force for the sustainability and socioeconomic development of both developing and developed nations of the globe. Correspondingly, in a wide array of the states of the globe tourism has been a main source of boosting social (health & educational) and economic (consumption expenditure and income) sectors. It also played a vital role in generating employment opportunities in both the formal and informal sectors through divergent economic activities (Khalique et al., 2019, Malik et al., 2010 & Ekanayake and Long, 2012).

In addition, an increase in tourism produces a significant huge amount of foreign exchange for many countries which is quite helpful for their sustainable growth, and socioeconomic and industrial development (Shahzad et al., 2017). In the past few years, global tourism in least-developed countries including Pakistan has accomplished record growth. From all over the world around 808000 tourists have visited different places in Pakistan. According to various studies, in 2017 around 1.75 million tourists visited various areas of Pakistan especially located in northern areas among these 70% were international while 30% were domestic people. Among these around 90% favored travel by utilizing the facility of roads, 8.5% traveled by train, and 1.5% traveled by air (Arshad et al...2018).

Likewise, other nations, Pakistan also has a significant number of worthwhile places, and a wide range of tourists visit this state every year. With these visits, a considerable amount of revenue has been generated. According to the World Travel and Tourism Council in 2017 Pakistan earned 19.40 billion US dollars in revenue from tourism which is 6.9% of the overall GDP (Rhaman, 2016). Further, WTTC also forecasted that if Pakistan will have achieved political stability with good law and order situation the revenue from tourism will be 36.10 billion US dollars by the end of 2030 (Wu et al., 2014).

#### 1.3 Significance of the Study

A significantly wide array of researchers, social thinkers, intellectual community, and development policymakers think that increasing tourism is a key tool for the development of an economy because it boosts the trust of other countries to invest more in the country where tourism is significantly high. The research findings of

the study could help the Pakistan tourism authorities and other actors to develop better policies and strategies.

In addition, information from this study would be essential and quite helpful for making important decisions and planning for boosting tourism and straightening the pathway toward monitoring the tourism-related sectors. Further, the research approach, methodology, findings, and conclusions could provide an important source of knowledge and information for other developing countries with similar conditions. On the academic front, the study would add to the non-existing stock of literature on the socio-economic setting of communities with tourism orientation.

#### 1.4 Research Gap

Although there are many studies conducted on the tourism sector most of the studies are based on secondary data (Manzoor et al.,2019; Fayissa et al.,2008 & Matthew et al.,2021), similarly some of the studies have been conducted by utilizing primary data and measure the social impact (education, health, and employment, etc.) while others have measured the economic impact (consumption expenditure, income and, financial assets, etc.) of tourism on different place locally and internationally. In addition, most of the studies used quantitative methods to assess the impact while other studies also found that they used qualitative methods to predict the impact.

Moreover, the majority of the studies are conducted outside the AJ&K such as Akram et al., (2021) and Ullah et al., (2021) investigated the economic benefits of tourism by undertaking a case study of the least developed areas of Gilgit Baltistan Pakistan. Likewise, Saqib et al. (2019) examined the dynamic influence of tourism on the native community of the least developed area of Gilgit Baltistan, Pakistan. Moreover, Rahaman et al. (2011) examined the impact of tourism on the livelihood of the populace of district Chitral, KPK (Khyber Pakhtunkhwa), Pakistan.

Akram et al. (2021) inspected the linkages between tourism and socio-economic development in AJK. Manzoor et al. (2019) studied the association between economic growth, sustainable tourism, and employment in Pakistan, few studies have been conducted in the areas of AJK (Chari et al.,2011; Mir, 2014 & Sharma et al., 2012). Pakistan has many beautiful places for tourists, scarce especially in northern areas and Azad Kashmir where every year millions of international and local tourists visit. However, as per importance quite a scare amount of literature has been done that

assesses the socio-economic impacts of tourism on the local community people. Thus, few studies have examined the socio-economic impacts of tourism on host communities. Against this limitation, the study essentially sought to empirically assess the impacts of tourism from the socio-economic perspective in host communities with a specific focus on the Poonch region of Azad Kashmir. Keeping in view the literature and to present a true picture of tourism's impact on the study area, the current study has conducted mixed methods and used both socio and economic indicators.

#### 1.5 Research Questions

The following research tries to answer the following question by employing well reputed econometrics technique that is detail discuss in section three.

What is the role of tourism inflow on socio-economic development of the livelihood of the residences of the district Poonch Azad Kashmir?

#### 1.6 Objectives of the Study

To answer the above discuss question aptly, particular study is based on the following key objective:

- ➤ The current study explores the role of tourism-inflow on socio-economic development of the livelihood of residences of the district Poonch, Azad Kashmir.
- > To explore the role of tourism inflow on socio development of the livelihood of the residences of the district Poonch, Azad Kashmir.
- > To investigate the role of tourism inflow on economic development of the livelihood of the residences of the district poonch, Azad Kashmir.

#### 1.7 Hypothesis

On the basis of research question and objectives, current study is going to test following hypothesis.

H<sub>0</sub>: Tourism inflow, education and important monetary indicators (consumption expenditure, employment status and monthly income) has no individual and collective significant impact on socioeconomic development of the livelihood of the residence of district Poonch Azad Kashmir.

H<sub>1</sub>: Tourism inflow, education and important monetary indicators (consumption expenditure, employment status and monthly income) has individual and collective significant impact on socioeconomic development of the livelihood of the residence of district Poonch Azad Kashmir.

#### 1.8 An Oral View of Adopted Research Method

Based on the structure of the problem under assessments both qualitative and quantitative methods have been taken under consideration to explore the key objectives of the study. The basic aims of adopting a couple of methods are to reduce the over-dependency on a single traditional empirical method. For calculating the outcomes of the study a couple of methods have been adopted for qualitative outcome description interviews have been conducted while for quantitative measurement a well reputed globally accepted questionnaire has been developed and collected the response of the residence area under discussion. Further, the validity and accuracy of collected data, as well as analysis of the data, have been done under well-defined statistical methods like Cronbach's Alpha Statistics, descriptive statistics, and Multiple Regression models. For the calculation of both qualitative and quantitative outcomes N-vivo and STATA have been used as a statistical package.

#### 1.9 Contribution of Current Study

A substantial array of literature has been found in the context of Pakistan and its various districts where quite detail work socio-economic impacts of tourism is already done, like Jehan et al. (2022) highlighted the socio-economic influence of tourism on local community in northern area of Gilgit Baltistan, Pakistan. Menhas et al. (2019) described the socioeconomic impact of tourism on overall Pakistan and the districts linked with CPEC (China Pakistan Economic Corridor). Manzoor et al. (2019) explored the role of tourism in sustainable development, employment generation and boosting economic growth for Pakistan. However, a single study does not find that described the socio-economic impact of tourism in Poonch District AJ&K. This study tries the best to fill the gap in existing literature by exploring the socio-economic impact of tourism on local residences of Poonch District AJ&K, Pakistan.

#### 1.10 Organization of the Study

The research under discussion is group of a total five different chapters.

1st chapter presents the detail introduction which consists of definitions, general and specific views regarding concerned dilemma along with research questions.

Furthermore, particular chapter also momentarily designates the key objectives and also elucidates the theoretical base along with practical implication of the research under discussion. However, the rest of the study is categorized into five different chapters:

- 2<sup>nd</sup> Chapter deals with the detail reviews of literature which presents the ideas of different national and international scholar who previously explored socioeconomic impact of tourism on different states through theoretical as well as numerical views by utilizing primary and secondary data along with globally accept statistical methods.
- **3<sup>rd</sup> Chapter** detail described the data used for current study along with collection method, theoretical framework and also hypotheses development in first step. However, in 2<sup>nd</sup> step detail econometrics technique along with importance has been presented with detail description of key variables used for current study.
- **4**<sup>th</sup> **Chapter** explains the results and discussion of the problem under study which consists of basic descriptive statistics of various variables, empirical presentation of multiple regression models along with detail discussion of results.
- 5<sup>th</sup> Chapter finally presented the conclusion and key findings of the study along with appropriate policy lesson. At the end, the limitations of the data and future direction of the study were also acknowledged.

#### **CHAPTER 2**

#### LITERATURE REVIEW

A wide array of studies worldwide and nationally highlights that increasing tourism has significant socioeconomic impact on the livelihood of both advance and least developed states residences. Moreover, for least developed states, increasing the tourism opportunities has gained much importance in last couples of decades because it is the major source of creating employment opportunities, boosting livelihood, improving infrastructure, health and education sectors of these states. In a current study, after detail introducing the idea of socioeconomic impact of tourism in first section, the previous views of various scholar, economists and intellectual community has been widely deliberated in second section. No doubt, problem under discussion is based on primary data and views of scholars who used primary data previously to address current dilemma are given much consideration. But unfortunately, quite scare literature has been found that discuss current issue by utilizing primary data. Therefore, to present the clear impact of various variables on tourism in this section available primary and maximum secondary studies are discussed. Manzoor et al. (2019) investigated the linkages among GDP (overall country's residences consumption expenditure) employment opportunities and tourism in Pakistan through time series quantitative data from 1990 to 2015 and two well reputed globally acknowledged methods like simple regression and Johansen co-integration model. Twofold outcomes of the study revealed that all the variables of the study are co-integrated with each other's. However, regression analysis further demonstrated that increase in tourism one sided boosted the creation of employment opportunity for the people while on the other side it also boosts the livelihood of the people which ultimately means GDP or consumption expenditure of the people increased. Ghautum (2011) illustrated the long and short run linkages between GDP growth and tourism development in Nepal by utilizing well organized statistical method and time series data from 1975 to 2010. Empirical outcomes evaluated that in both long and shorter period of time tourism leads GDP growth. Further, it had been also observed that there exists bi-directional causality between tourism development and economic growth. Lee and Chang (2008) examined the long run causal relationship between tourism development and economic growth in OCED and Non-OCED countries for the period of 1990 to 2002, by using heterogeneous panel co-integration method. Empirical outcomes highlighted that there is strong stable long run relationship between GDP and tourism development in both OCED and non-OCED countries. Moreover, causality measure evaluates that there is running uni (bi) directional causality between tourism development and GDP growth in OCED (non-OCED) countries. At the end, outcomes also elaborate that GDP growth and tourism development has positive association between each other in study area, however, tourism benefits the non-OCED countries at greater extent as compared to OCED countries.

Similarly, Khan (2013) described the socioeconomic impact of tourism on local community in two key villages i.e., Rawalakot and Banjonsa of Azad Kashmir through qualitative survey data of 28 respondents by using basic regression model. Outcomes highlighted that creating tourism opportunity has significant socioeconomic impact on residence of the study area. With increase in tourism in study area livelihood of people increased in one side because it creates substantial employment opportunities, boost health and education sectors while on the other side it also adversely affects some sectors like due to increase in demand, prices of land, basic commodities and building rent etc. has also been increased. Kumar (2019) inspected the association between GDP growth and tourism by taking the relative importance of monetary development in Nepal. Estimated outcomes elaborated that the trio of tourism, monetary development and GDP growth are co-integrated with each other in Nepal. However, in both span of time, it has been noted that earning from tourism stimulates GDP growth. Further, measurement of Granger Causality revealed the single direction causality between tourism and GDP growth. Othman et al. (2012) inspected the association among tourism development industry; economic growth and foreign direct investment in 18 key global tourism destinations by utilizing global recognized ARDL (Autoregressive distributed lag) model. Calculated outcomes of the study indicated that there is strong stable long run association between tourism development industry and other variables of interest. Further, outcomes also elaborated that there is multidirectional association among all the variables of the study. Khalil et al. (2007) discussed that how tourism played vital role in boosting level of employment as well as livelihood of the people of Pakistan by exploring association between tourism and economic growth of the country since 1960 to 2005. Analytical outcomes of Engle Granger and Granger Causality measures explored that tourism and economic growth have single direction positive

association with each other in both longer and shorter span of time, which simply boost in tourism at greater extent is vital tool for Pakistan in improving the livelihood of their residences and creating job opportunities. Shaaban et al. (2013) contended that development of tourism caused uplift in economic growth which played significant role in poverty alleviation and improvement in foreign reserves of Comoro Island. Haley et al. (2005) investigated the arrogances of local community in Bath, UK toward tourism development. A primary data and factor regression analysis was used to calculate outcomes. The results of the study concluded that local community had positive attitude toward tourism development in Bath, UK. Akram et al. (2021) studied the influence of tourism development, education, income and employment on socioeconomic development of the residences of AJK (Azad Jammu and Kashmir), Pakistan by utilizing first hand collected data through well-organized questionnaire and multiple regression models. Outcomes the study highlighted that all the explanatory variables positively influenced the socioeconomic development of the residence of AJK which means boost in tourism played vital role in income and employment generation and educational innovation that leads to boost the socioeconomic status of the residences of AJK, Pakistan. Brida et al. (2009) studied the contribution of tourism to GDP development in Chili through quarterly data in long and short run through globally recognized econometrics method. Estimated outcomes highlighted that there is long and short run relation between economic growth and tourism sector. Further unit analysis evaluates that improvement in tourism sector boost GDP growth in Chili. Adamou and Clerides (2009) empirically securitized the linkages between tourism development and economic growth in Cyprus. Cross-country evaluation in descriptive context indicated that there is strong link between tourism development and economic growth. However, statistical model evaluated that tourism specialization has been boosted with higher rate of economic growth.

More logically, Obong and Etim (2019) analyzed the socioeconomic impact of tourism on Calabar Metropolis State of Nigeria through descriptive statistic analytical tool and primary data collected from well-reputed questionnaire. Calculated outcomes on the bases of descriptive analysis evaluated that there exists significant difference between tourism generated revenue and internally earned revenue of the study area, which means increasing tourism is beneficial and played significant role in creating employment opportunities and development of the area under study. Khan and Callanan

(2017) evaluated that tourism had substantial role in socioeconomic development of an economy. Further, boost in economic growth through tourism played a vital role in improving education, health sector and creating job opportunities. Liu et al. (2020) analyzed the government role in tourism development in China by using both secondary and interview based primary data. Calculated empirical outcomes demarcated that federal government had noteworthy contribution in rural tourism development in China. Moreover, local government also played vital role by managing tourism practices and serving the tourists. Matthew et al. (2021) discussed the interaction impact of tourism and foreign exchange earnings on Nigerian economy development by utilizing time series data of 36 years since 1980 to 2016 and well organized worldwide accepted couple of statistical methods i.e., Johansen Co-integration and FMOLS (Fully Modified Ordinary Least Square). Outcomes of the study highlighted that the interaction impact of tourism and foreign exchange earnings are positively linked with the Nigerian economy development which simply means if tourism is promoted in Nigeria could be a quite helpful tool to boost the employment opportunity as well as livelihood of the residences. Rout et al. (2016) empirically studied the progress and trend of tourism in India for longer period of time by using time series data since 1995 to 2015. Analytical outcomes of progress and trend concluded that tourism is quite beneficial for Indian economy because it played key role in job creation, dollar and other currency earning, poverty alleviation, infrastructure development and income disparity reduction. By summing up discussion outcomes concluded that increasing tourism is beneficial for the progress of the Indian economy and also cause increasing trend in above detail described maximum number of factors. Marzuki (2011) identified the influence of development in tourism on local community of Langkawi Island Malaysia. For the estimation of outcomes principal components analysis and primary data has been used which is collected through 392 respondents, however, selection of these respondents has been done through stratified random sampling. Findings of the study revealed that three key factors; cost, benefits and socioeconomic tourism development were representing around 56% of the explained variances that is extracted from 21 variables. At the end, cost benefit analysis concluded that tourism benefits the residences more than the cost.

In the quite important study, Trang et al. (2014) presented the analytical views of the tourism led growth hypothesis in tow steps in Vietnam state by using time series

data since of 20 years since 1992 to 2011 and globally putative Johensan co-integration and Granger Causality test. Empirical finding of the study widely highlighted that there exists stable long run association between tourism and economic growth in Vietnam. However, Granger Causality measures explored that there exists uni-directional causality between tourism and economic growth in study area. At the end, overall discussion substantially concluded that for area of the study tourism is the strong pillar for improving the living standard of common man and creating employment opportunities for the residences. Adebayo et al. (2014) studied the influence of tourism development on the economy of Ile-Ife, Osun State, Nigeria. For the estimation of the outcomes, primary data has been used which is collected from well- reputed globally acknowledge questionnaire. Empirical outcomes highlighted that due to significant number of attractive places in study area, tourists quite regularly visited Ile-Ife, Osun State, Nigeria. Zourtuk (2009) examined the economic influence of tourism on Turkey by utilizing time series quarterly data from 1990Q1 to 2008Q3 and using well established Johenson Co-integration as well as Granger Causality test. Empirical outcomes significantly demarcated that there exists stable long run relationship between tourism and economic expansion of the Turkey State. However, Granger Causality measure revealed that tourism and economic expansion are positively interlinked in uni-directional context. Moreover, overall discussion summed up that for the Turkey economic development tourism is best tool because it not only improves residence prosperity but also provide numerous ways to government for the creating of employment for people. Yusuff and Akinde (2015) empirically highlighted the dynamic long and short run contribution of quick increasing tourism sector to economic development as well as employment creation in Nigeria through time series data of 19 years since 1995 to 2013 and couple of well-organized economic techniques i.e., Johenson co-integration and Granger Causality test. Numerical outcomes reveal that in both longer and shorter span of time tourism played significant vital role in economic development as well as employment creation. Also, tourism granger causes economic development and employment creation in uni-directional spectrum.

Moreover, Mishra et al. (2011) attempted to examine role of tourism in employment creation through economic expansion in both longer and shorter period of time in India for the period of 1978 to 2009 by using Johenson co-integration and Granger Causality tests. Estimated measurements significantly revealed that in long and

short run tourism and economic expansion are positively associated in uni-directional context. Which simple means in India economy could be expended and employment level have been boosted by focusing on tourism. Wu et al. (2022) discussed the casual association among tourism, capital formation, real GDP growth, infrastructure development and creating job opportunities in 11 Asian regions from 1995 to 2016 through multivariate wavelet technique. Empirical outcomes revealed multivariate wavelet coherency for maximum variables while for few variables there also exist partial wavelet coherency. Here also like above, empirically finding authentically concluded that in all 11 Asian regions GDP, employment level, capital formation and infrastructure could be boosted by expanding tourism. Ucak (2016) empirically analyzed the linkages between health sector growth and tourism in Turkey by using quarterly data since 2004Q1 to 2015Q4 and two theoretical supported globally accepted methods i.e., Granger Causality and Johenson Co-integration test. Findings of the study significantly illustrated that tourism and health sector growth had positive long run relationship with uni-directional causality in Turkey. Birendra et al. (2021) described that the agenda of SDGs (Sustainable Development Goals) was to boost level of education, improved health sector, increased per capita income. The study explored the role of tourism on SDGs by employing cause study approach and semi structure interviews. The estimated of the study suggested that tourism had significant leading role to achieve SDGs. Khan et al. (2019) examined the casual association among tourism, health, social and overall wellbeing through quantitative data from 1980 to 2016 by utilizing globally recognized methodology of ARDL (Autoregressive Distributed Lag) model. The estimated result substantially suggested that all the key variables like health, social and overall being influence tourism positively.

Godovykh and Riddesstaat (2020) examined the impact of tourism development on health status of Spain residences for the period of 1995 to 2018 by utilizing maximum likelihood instrumental variable methodology. Outcomes of the study convincingly evaluated that increasing tourism had long and short run impact on the health status of the Spain residences. However, in the long run increase in tourism improve the health status of the residences while in short health status of the residences had been declined with increase in tourism in the study area. Balaguer and Cantavella-Jorda (2018) explored the relationship between tourism and longer run economic development in Spain. Estimated outcomes evaluated that there is stable long run

relationship and single directional causality between tourism and economic development in Spain. Eusébio et al. (2014) empirically found the impact of tourisms on quality of life of youth utilizing the data of university students. Calculated outcomes of the study numerically found that tourism industry has substantial impact on quality of life of youth tourists. Hung et al. (2013) analyzed the households' determinants of tourism expenditure in Tiwan through survey data and multivariate regression analysis. The estimated outcomes demonstrated that age of the households' head, income, car ownership and internet package are directly associated with tourism expenses while contrarily loan and health expenditure are adversely linked with tourism expenditure. Perdue and Gustke (1991) qualitatively described the influence of tourism on education, health, economic and population growth of residences of USA. Data has been calculated through interviewed of the people. The estimated outcomes summarized that development of the tourism in USA economy uplift the martial, social status education and health sector of the USA economy. Similarly, Spiegel et al. (2007) studied the impact of tourism development on health in Cuba by using qualitative method of conducting the interviews of two coastal communities. Outcomes of the study substantially demarcated that tourism development played vital role in expanding health sector in Cuba.

Nawijin and Mitas (2012) studied the impact of tourism on health, infrastructure, personal relation and services in Pallma and de Mallorca. For the estimation of outcomes Hierarchical Multiple Regression model and primary data has been used which is collected from 373 respondents. Calculated outcomes revealed that development tourism played substantial role in health sector expansion, infrastructure development and personal relations and services. Kim et al. (2013) examined the impact of tourism development on nine subjective indicators to explore various aspects of well-being like material, community, safety, emotional and health etc. in USA by using survey data of 321 respondents and Hierarchical Multiple Regression model. Outcomes highlighted that tourism development has significant direct impact on material, community, safety, emotional and health wellbeing in study area. Which means all these are got expended when tourism has been developed. Khan et al. (2022) analyzed the association among tourism development, economic growth and wellbeing in Pakistan by using time series data from 1990 to 2016 and well- organized econometrics technique of ARDL (Autoregressive Distributed Lag) model. Empirical results

suggested that economic growth and wellbeing (economic, social, education and health sector) got enriched with tourism development. Chen and Ioannides (2020) explored the association between tourism specialization and GDP per capita consumption expenditure through panel data of 157 countries since 1995 to 2017 and globally accepted two stage least square econometrics method. Finding of the study significantly highlighted that tourism specialization and GDP per capita consumption expenditure are directly associated. In simple words it means that boost of the tourism development in any country upsurge the GDP per capita consumption expenditure of the residences.

Jackman and Lorde (2010) numerically scrutinized the effect of tourism on household's consumption expenditure in Barbados. For the estimation of long and short run outcomes dynamic ordinary least square (DOLS) model and annual time series data from 1970 to 2007 had been used. Calculated measures confirmed that there is no long run association between tourism and households consumption expenditure. However, in the short run, consumption expenditure and tourism are positively correlated. Meaning that livelihood of common man in Barbados could be boosted with the expansion of tourism. Uzar and Eyuboglu (2019) scrutinized the linkages between tourism and income (expenditure) disparity through long run econometrics technique for the period 1974 to 2015. Estimated results exposed that tourism and income (expenditure) disparity had long run positive relationship in Turkey. Furthermore, estimated outcomes also evaluated that tourism industry development boost the livelihood of common man in Turkey meaning that income disparity diminished with increasing tourism. In more comprehensive views Kuznet curve hypothesis is widely valid for Turkish State. Khoshnevis Yazdi (2019) investigated the casual association among tourism, economic growth, household's consumption expenditure and physical & human capital in Iran by using time series data since 1981 to 2014 and worldwide reputed ARDL (autoregressive Distributed Lag) statistical method. Empirical outcome noticeably exposed that except physical capital all other variables are positively associated with tourism in study area in both longer and shorter period of time. Further, empirical assessments of Granger Causality test highlighted that there is running unidirection causality among tourism and all explanatory variables. Adnan Hye and Ali Khan (2013) indirectly estimated the impact of tourism on households' consumption expenditure in Pakistan through the hypothesis of tourism led growth. For the calculation of long run outcomes time series data from 1971 to 2008 along with

Johenson Juselius and ARDL bound testing had been used. Results of the study confirmed that income from tourism and economic growth is positively associated which means tourism boosts livelihood of the residences of Pakistan that ultimately upsurges consumption expenditures. Similarly, Schubert et al. (2011) also indirectly demarcated the tourism and consumption expenditure long run association by using time series data of Antigua and Barbuda States from 1970 to 2008. Outcomes explored that there exists stable long run association between tourism earning and per capita consumption expenditure growth. However, these estimates are also validated by numerous earlier studies finding.

Fayissa et al. (2008) described the influence of tourism on economic growth and local community development in Africa by utilizing panel data of 42 African countries from 1995 to 2004 and basic fixed and random effect model. Findings of the study delineated that revenue from the tourism has beneficial impact for African economy because it upsurges economic growth and local community development directly while indirectly it uplifted living standard of local residence that ultimately boost their consumption expenses. Rafiq et al. (2021) indirectly determined the impact on tourism earning on residences expenditure through balance of payment in Pakistan. For the estimation of outcomes NARDL (Non-linear Autoregressive Distributed Lag) model and time series data from 1995 to 2019 has been used. Estimated results suggestively highlighted that there exist asymmetrical association among tourism earning and balance of payment deficit. Moreover, outcomes further elaborate that increase (decline) in tourism earning decline (increase) the balance of payment deficit that ultimately increase (decline) common residences living standard as well as consumption expenditure. Bhatti et al. (2022) studied the impact of tourism and globalization on Pakistan per capita consumption expenditure growth by utilizing time series data from 1995 to 2020 and ARDL (Autoregressive Distributed Lag) bound testing approach. Estimated results of the study significantly highlighted that there exist stable long and short run association among tourism receipts and per capita consumption expenditure growth. Moreover, per unit analysis further demarcated that in both longer and shorter span of time increasing tourism receipts played vital role in the growth of the per capita consumption expenditure Pakistan's residences. Panahi et al. (2014) investigated the dynamical influence of tourism on economic expansion in Turkey over the period of 1970 to 2011 by utilizing time variant parameter and the

Kalman filter method. Outcomes revealed that increasing tourism positively influence the economic expansion in Turkey which alternatively meaning that livelihood or consumption expenditure of the people of Turkey could be boosted through increase in tourism.

Katircioğlu (2010) examined the long run linkages among global tourism, education and economic growth in Turkish Republic of Cyprus. Outcomes highlighted that global tourism and education had a long run equilibrium association. Matahir and Tang (2017) described the linkages between education tourism and economic growth in Malaysia by using quarterly time series data from 2002Q1 to 2014Q4 and Bayer Hanck Joint co-integration along with Granger Causality test. Estimated outcomes significantly deliberated that education tourism economic growth and all the key variables are strongly co-integrated. Further estimation of granger causality revealed that there is running single directional causality between education tourism and economic growth in area under discussion. Gavurova et al. (2021) studied the influence of education and R&D on tourism spending in OCED states by using around one decade data since 2010 to 2019 and robust panel model. The estimated outcomes exposed that both explanatory variables R&D and education had positive or direct effect on tourism spending in OCED states. In most of the OCED countries like Chile, Latvia, Solvak, Maxico, Hungry, Poland, Greece and Turkey had significant great power to improve R&D that ultimately boost growth of tourism spending. Haq et al. (2019) analytically examined the influence of socioeconomic factors on households' involvement in an expense on recreation and tourism in least developed economy of Pakistan. The estimation had been done through Heckman selection and Probit models by using HIES (household integrated economic survey) data for year 2012. Estimated outcomes revealed that the basic key socioeconomic indicators like income, region, education and empowerment of the women upsurges the probability of households in participation in on recreational on tourism while contrarily increasing number children and adults decline the probability of households in participation in on recreational on tourism in Pakistan. Azam et al. (2018) studied the impact of tourism on environment pollution in three key Asian economies regarded as Malaysia, Singapore and Thailand. For the calculation of results Fully Modified Ordinary Least Square (FMOLS) and yearly data since 1990 to 2014 has been used. Estimated results evaluated that increasing tourism had positive impact on environmental pollution in study area of Malaysia while contrarily increasing tourism had adverse impact on environmental pollution in two other countries Singapore and Thailand.

Shang et al. (2022) studied the dynamical impact of China Pakistan Economic Corridor (CPEC) development on tourism development behavior of local community of Gilgit Baltistan Pakistan. For the estimation of results 417 respondents' data along with SEM (structural Equation modeling) method had been used. The estimations revealed that the overall attitude of the community had positive influence on tourism development. Furthermore, per unit analysis explored that social media use, occupation and age positively affect the tourism development behavior while income, education and gender of the head adversely affect the development of tourism behavior in study area. Li et al. (2013) estimated the long and short run tri angular relationship as well as causality among tourism, economic growth and various other macroeconomic variables like physical capital, education, health, government tourism expenses and exports in Malaysia. Estimated long run of the study highlighted that there exist bi-directional causality among economic growth, tourism receipt and health while uni-directional causality was running from government tourism expenditure, physical capital, education and export to economic growth. Moreover, outcomes also revealed that enhancing tourism receipts boost physical capital, education and health sector that ultimately led to economic growth in Malaysia. Khizindar (2012) empirically investigated the impact of tourism on populace quality of life in Saudi Arabia by using primary data of 775 individuals collected through well-organized questionnaire and multiple regression analysis. Estimated outcomes quite fairly highlighted that there exist direct association between tourism receipts and quality of life (income, education, employment status, environmental impact and cultural impact) indicators. Llorca-Rodríguez et al. (2017) explored the dynamical impact of tourism on financial poverty in Peru's departments by utilizing panel data of of 13 years since 2001 to 2013 and well- accepted basic fixed effect model. Estimated outcomes concluded that tourism is only fruit full for poor just below the poverty line because increasing tourism boost per capita income/expenditure that leads to reduction of the poverty. However, in case of ultra-poor due to weak trickle-down effect tourism is not fruit full in study area.

Shivaraju and Kumar (2015) theoretically debated the social, economic and environmental impact on tourism in Kodague District, India. For exploring the views of the community under study comprehensive and globally accepted questionnaire has

been used. Results of the study on the bases of people views strongly highlighted that tourism had considerable direct contribution to the livelihood of area under discussion. Moreover, outcomes also elaborate that with increase in tourism people got financially and socially stronger because their income, education and health status had been uplifted. Biagi et al. (2017) reconnoitered the empirically association between tourism receipts and human development index by using panel data of 63 countries from 1996 to 2008. Calculated measures significantly confirm that tourism receipts and human development index is positively associated. Further, it has also been observed that increasing tourism is also beneficial for improving literacy rate in maximum number of countries. Khan et al. (2021) inspected the tourism role in income generation in local community of Gilgit Baltistan, Pakistan. For the estimation of outcomes primary data of 200 tourists had been gathered through a comprehensive questionnaire and also couples of method t-statistics and regression analysis had been employed. The empirical estimation of the study under both statically method highlighted that tourists come from foreign countries and local area of Pakistan played vital role in income generation of the residences of local community of Gilgit Baltistan. Ecekels et al. (2012) empirically inspected the association between Greece GDP per capita and tourism for the period of 1976 to 2004 by employing VAR (Vector autoregressive) model. Outcomes revealed that earnings from tourism have positive impact on GDP per capita of study area. Further, the findings are also consistence with the hypothesis of tourism led financial growth. Meaning that earning from tourism is key tool for Greece to boost the income of local community. Incera and Fernandez (2015) deliberated the tourism earning impact on different income groups on Galicia and Spain community for year 2008 by utilizing SAM (Social Accounting Matrix) model. Estimated outcomes of the study elaborated that tourism earning has positive impact on all income groups meaning that increase in tourism earning boosts the income of all three lower, middleand upper-income groups. Moghal et al. (2021) analytically highlighted the determinants of tourism development in the area of Jammu and Kashmir by utilizing primary data collected through well- reputed globally organized questionnaire and logistic regression model. Calculated measures evaluated that various key factor like income generation, employment, poverty reduction, economic stability and political stability had substantial role in tourism development in area under consideration.

Ohlan (2017) studied the linkages between income development, tourism and economic growth in India from 1960 to 2014 by utilizing advance methodology of Bayer and Hanck combined test. Calculated results highlighted that tourism receipt; income development and economic growth in India are strongly co-integrated. Furthermore, there exits single direction causality among tourism receipts, income development and economic growth while per unit views evaluated that in both longer and shorter span of time tourism receipt boosted the income development and economic growth in India. Shahbaz et al. (2019) probed the influence of tourism on income distribution in Malaysian economy by using quarterly time series data from 1991q1 to 2017q4 and Bayer-Hanck combined test. Estimated outcomes exposed that all the variables taken for the study are co-integrated with each other's and also there is running single directional causality among them. Moreover, tourism in the form of tourist arrivals and tourist receipts increase income that ultimately improved distribution pattern among the population under study.

### **Summary of the Chapter**

After the detail views of various scholars, it has been observed that increasing tourism has keen importance for every economy because it not only boosts the livelihood of common man of various societies but also developed various sectors like education, health and infrastructure. In a current study socioeconomic impact of tourism has been discussed on five key variables namely employment, health, consumption, education and monthly income. The descriptions of various scholars for economic and social variables presented positive association with tourism.

Moreover, description highlights that increase in employment status, monthly income and consumption expenditure has been taken place with upsurge in tourism in one side while on the other side receipts from tourism is also a helpful tool to improve infrastructure and social sector of health and education for national and various international least developed states. Further, in a current study due to scarcity of primary data research views of various scholars using survey data, time series data and panel data are also incorporated to clear the influence of all the key variables taken under consideration on tourism. The study under discussion is based on primary data and has keen importance to fill the obvious gap in literature.

# **CHAPTER 3**

### CONCEPTUAL FRAMEWORK

SET started with the social interaction of the humans from the different areas, after that this theory is also being used for the economic benefits in terms of social exchange as his founder Homans has done his researches. With the time being this theory incorporated with the attitude of the local people towards tourism as researches are mentioned below.

Homans (1958) described that Social Exchange Theory (SET) is one of the oldest theories in the literature of social behavior which is equally prevalent in social psychology and sociology literature. The basic idea behind the theory is that it includes only two people, each of whom give some benefits to one another, and reliant upon remuneration from others (Emerson, 1981). A wide series of studies are there that contributed to the SET development while few most important are Homans (1958), Blau (1964) and Thibaut & Kelley (1959) etc. Initial study of Homans (1958) paid serious attention on the social behavior associated with exchange process.

Blau (1964) describe the keen role of social collaboration in exchange process. Thibaut & Kelley (1959) demarcated that how an actor in exchange affiliation value the booms of exchange relation. Homans (1961) further elaborated that SET is widely grounded on the principle that social contact among human being is an exchange of perceptible and imperceptible activities predominantly of cost and reward. According to Molm (1991) SET explored how the arrangement of cost and reward in an association influence the design of collaboration.

Homans (1958) created Social Exchange Theory (SET) first to study people's motion and he is founder of this theory. With his paper "Social Psychology of Groups" from the late 1950s, Kelley and Thibaut (1978) developed the broad interchange method (1959) to apply SET in social sciences studies. Emerson (1962) and Blau (1964) used this idea to look into organizational behavior as a result, they investigate that this theory is expanded and comprehend that how citizens and organizations interacted to maximize benefits and reduce expenses.

Among the earliest concepts of social interaction, SET was already widely used in sociological and cognitive sciences as mentioned. Emerson (1981) argues that social trade comprises two people, every of them offers other different advantages in interaction for enticements from different societies. Homans (1958), Thibaut and Kelley (1959), Emerson (1962), and Blau (1962) them researches helped to shape the SET worthier of the application is the social scientific researches. Homans (1958) also emphasis on the role that socialization plays an important role in the trading system and economic opportunities.

Cook et al. (1993) highlighted that people involved in an exchange procedure are strongly rely on one another for the consequences they worth. The people involved in exchange process behaved in a way that boost the consequences they positively worth and decline consequences they negatively worth and if the booms from exchange surpass the expenses, performers involve in recurring exchange over time. SET further explained that involvement of common man in an interaction procedure widely relied on the subject of cost benefit analysis and the comparison of substitutes.

Once the individuals participate in the exchange procedure, they arbitrated the benefits and expenses and will go in the association in which he can maximize booms and minimize expense. These individuals engross in an exchange if the consequences benefits are valuable for them and supposed expenses do not surpass the supposed booms (Ap,1990). Interactions between both the individuals are probable to linger only if both individuals think they are getting substantial more booms from exchange then they are giving up.

Regarding the social exchange theory, this section evaluates residents' awareness of the sociocultural and economic effects of tourism. The social exchange theory has been applied to the study of how tourism influences the empathic insight of locals (Buchan, 2002). The tourist can benefit from tourism by purchasing goods and services or engaging in a desired activity, while the host community can benefit from tourism by experiencing economic growth. It is impossible for such a transaction to take place unless something of an essential or inspirational nature takes place; consequently, if a community wants to promote tourism for the sake of social and economic development, it will require a significant amount of effort to do so

(Cropanzano, 2005). It is possible that the tradition of generosity in a community will shift as a result of the development of sustainable tourism (Harrill, 2004).

The social exchange theory has significant ramifications, including the ability to give descriptions of acuities that are equally advantageous and disadvantageous, as well as the ability to identify associations at separate or communal dwellings. In addition, it highlights the fact that the sustenance of locals and the evaluation of the influence of tourism are both dependent on how much they are worth. The absence of theoretical fundamentals is another important consideration when simplifying the relationship between resident observations and outside factors.

On resident perception, it is common knowledge that the theoretical direction of education places complications in the process of developing theoretical contexts (Harrill, 2004). Because the study of tourism is more concerned with practical applications than it is with theoretical foundations, such theoretical contexts have relatively few bearings on the field. However, the existing theoretical alliance can be seen as a primary barrier to progressing empathetic of residents' perceptions of tourism. This is something that needs to be taken into consideration. It is recommended that local community attitudes toward tourism be based upon some theoretical fundamentals.

According to the social exchange theory, people's attitudes toward tourism will be influenced by their evaluation of the significant consequences that tourism has on the community that hosts them when applied to the context of tourism (Andereck et al., 2005). Whereas the Social Exchange Theory, by virtue of the practical implications it entails, provides a basis for the documentation and description of the principal ideas that are utilized in the process of determining a local's sensitivity to tourism (Gursoy and Rutherford, 2004).

It has not continuously been entirely empirically maintained with the increase in applied and theoretical reception; this theory requires more verification due to the compound nature of inter relations planned in the model. (Zhang, 2006). According to Creswell, it is important to think about the full scope of conceivable outcomes while utilizing particular methods, and techniques of data collection, analysis, and interpretations are valuable tools for doing so. Methodology refers to the practice of applying a specific method or procedure with the intention of resolving a problem through the application of logic and a logically organized process (Creswell, 2009).

While Blau (1964) examines the civil contact (Social Exchange) as a trading procedure, Emerson (1962) focused on the idea of strength among the participants in an interchange process. The foundation of SET is the concept that individual actions and societal contact involve an interchange of both physical and immaterial activities, especially of economic benefits (Homans, 1961). The main purpose of this Theory is that the social exchange among the people often come to some benefits especially in terms of economy. This theory tested by the researchers and theorist that exchange of the social activities among the people from the different areas is the source of economic benefits and their relationship is based on economic wellbeing.

From a marketing standpoint, SET suggests that people's opinions on the advantages of travel for them and other societies will have an impact on their attitude on the way to the industry and their degree of enthusiasm for its growth (Ward & Berno, 2011). More people have favorable sentiments toward tourists when they consider the good growth, ecological, and sociological effects of tourism. To put it another way, an individual or society's opinions toward tourist growth are positively correlated with how reliant they are on it, and vice versa as stated by Choi and Murray (2010), the positive attitude of the local people is a supportive growth in the income by the tourism activities or other social exchange programs.

SET is perfectly adapted to describe the local residents' attitude regarding tourist industry since it focuses on interactions among at minimum two people as explained by the founder of this theory according to him, trading may include not only actual products but also several other activities like calm, joy, and reputation. All these stuff are related to tourism as source of social exchange, people in case of joy and calm used to travel and interact with new people same case with the reputation of a specific place, people use to travel for the real experience. Indeed, fulfilment is wholly subjective including both locals and the tourist's interaction and exchange appears to be the highest desired result of a trade and boost in the economy in the sector of tourism. Tourism is believed to be a very practical use of SET because of this.

Among the most frequently referenced scholars in the field of tourism is Ap (1992), who makes the case that locals assess tourist increase with regard to their economic and social wellbeing. Ap claims that SET views local opinions through the lens of a cost-benefit comparison. Ap further contends that tourist effects are seen

favorably when capital interchange is strong. He is also in the favor of positive advantages of tourism in terms of social and economic benefits for the local people if they are eagerly wants to change their economic condition.

In attempt to understand local attitude regarding tourism, some researches published in literature focused on combining SET with different theories. For example, Chen and Raab (2012) attempted to combine SET with the concept of rational action and modelled a tenant's judgement procedure in relation to the growth of local tourist activities. They discovered that inhabitants are much and more likely to back the growth of local tourism when they have a positive mentality regarding this. Additionally, possible advantages had a bigger influence on behavior than perceptions. That's why in this research SET is applied to see the attitude of the local people and how they are inclined toward tourism for the enhancement of their livelihood.

Cheng and Jarvis (2010) also looked into how the Formula 1 Grand Prix affected the locals in its host destination based on their opinions of socioeconomic and cultural factors. The findings indicated that there are both positive and negative effects of tourism but the positive effects of tourism were among the economic and social benefits of the local people.

Siu, Lee, and Leung (2013) looked into the validity of SET as a theory for explicating local views and responses to tourism activities. Investigators illustrated local perspectives of the effect of the "Chinese visitors' surge" by employing three primary aspects in terms of financial, cultural, and ecological consequences. Results confirmed the SET theory's suitability for describing locals' responses to the tourism phenomena. For the analysis social exchange in the perspective to tourism and its impacts on socio economic conditions of the local people, the SET is suitable theoretical framework.

Li and Wan (2013) also discovered that locals who view effects of tourism enhancing the ability of tourism improvement, while locals who view effects of tourism adversely are less favorable, in pursuance of the social interchange rationale. Similar to this, a statistical method was out by Choi and Murray (2010) supported the SET reasoning. Findings showed that support for future tourism is significantly influenced by the attitude of the local people regarding positive and negative effects.

The social exchange between the local people and the tourists, according to Sutton (1967), "also may give a chance for gratifying and satisfactory interactions, or it may encourage and strengthen tendencies to exploitative on the side of the hosts, like the attitude of local people does matter in this whole process. Numerous researches substantiate his claim that locals' attitudes about tourism are influenced by the financial, cultural, and lifestyle variables coming from the host-tourist trading interaction. The results of these research imply that citizens' attitude of tourism and the degree of local involvement of tourist activities are influenced by the specific importance to the Components of the Interchange.

The findings of the research is empirically evidence in the support of SET because the SET is a theoretical framework which is related with social exchange of the local people with the tourists and their exchanging of capitals. People's positive attitude towards this exchange is a source of development in the social and economic status of the local people as the local dwellings of District Poonch give their opinions during the survey for this research. The research findings are empirical evidence in support of SET because SET is a theoretical framework related to social exchange of local people with tourists and their capital exchange. People's positive attitude toward this exchange is a source of development in the local people's social and economic status, as local residents of District Poonch provide their opinions during the survey for this research.

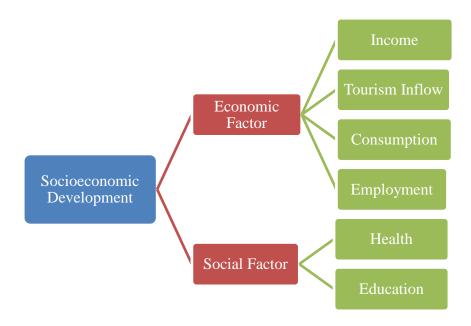


Figure 3.1: Conceptual Framework

In this conceptual framework, economic factor and socio factor are dependent variables of this study. Economic factor consists on income, consumption, and employment, tourism inflow while socio factor consists on health, education.

### 3.1.1 Mix Method

According to the definition provided by Tashakkori and Teddlie (2003), mixed-method research refers to any research approach that combines quantitative and qualitative methods of data gathering and analysis, either concurrently or sequentially. The mixed-method is also named as "multi-method," and "many methods" (O'Cathain et al., 2007)

According to Creswell et al. (2003), the triangulation design is the one that has the most widespread use and is the most well-known. Golafshani (2003) according to what Bryman had to say about the topic, "Bringing together quantitative and qualitative findings has the potential to reveal insights that could not otherwise be acquired."

The term mixed method refers to the practice of investigating the same occurrence from a variety of perspectives in order to pinpoint its specific location, in the present context by including a variety of informants and methodologies to ascertain its exact meaning and validity. In addition, mixed methods approach is about more than just triangulation in their research as according to Bryman (2007) suggested that mixed methods research not only acts as a validation tool, but it is also used to achieve a holistic perspective that combines the findings of diverse methodologies. In other words, mixed methods research is utilized to achieve a more complete picture.

### 3.1.2 Units of Data Collection

In a given study, primary data has been collected through a well-reputed questionnaire and the core of information or data gathering is mostly manager of hotels and employs tourist guide and shopkeeper and females in the area of district Poonch Azad Jammu and Kashmir.

### 3.1.3 Model of the Study

A linear regression model was developed and used to empirically test the stated hypothesis, measuring the effect of various key indicators namely employment status, health of the residences, consumption expenses, education status, tourism inflow and monthly earning of the residences on the socio-economic variable of tourism in Azad Kashmir. In a problem under discussion socio-economic status of residences the proxy of tourism was dependent variable which is measured through a globally accepted method of PCA. A PCA (principal component analysis) is a statistical approach which is mostly used for data reduction as well as creating a new single variable from various variables. These variables are in the form of research questions which are asked from various people associated to tourism related different occupations. In a current study, following question has been asked to create socioeconomic tourism development indicator; tourism play vital role in creating employment opportunities. Tourism creates business benefits for local community. Tourism brings investment for local community. Tourism socially creates recreational opportunities. Tourism helps to develop infrastructure. Tourism causes various social evils. Tourism makes people's modern. Tourism improves the livelihood of common man. Tourism causes environmental pollution. Tourism causes noise pollution. Tourism causes water pollution. Generally, PCA is expressed as

$$X=tp^T+E=X^{\prime}+E$$

In an equation the outer product 'tp<sup>T</sup>' obliges as a model of 'X'. The vector 't' was a fixed regressor and the vector 'p' is the empirical coefficient found under regression analysis (Abdi and Williams, 2010). After the PCA measurements, dependent variable of socioeconomic development has been generated which is regress with following explanatory variables, the employment status, health of residences, monthly income of residences, tourism inflow, consumption and education of residences.

### 3.1.4 Multiple Regression Analysis

For predicting the effect of different demographic variables on household socioeconomic development a multiple regression analysis has been used. In the previous study Akram et al. (2021) had used multiple regression analysis to check the impact of different social and economic variables on households' socioeconomic development. Mathematical form of the given model is as follow:

$$SE = \beta_0 + \sum_{i=1}^k \beta_i X_{ij} + \mu_i$$

In an equation SE is the household's socioeconomic development,  $\beta_0$  is the intercept of the model,  $\sum \beta_i X_{ij}$  show the general class of all the key explanatory variables

i.e., EMP (employment status), HI (health status), CP (consumption expenditure), EDU (educational status), TI (tourism inflow) and MI (monthly income) slope coefficient and  $\mu_t$  is the error term of the model.

### 3.1.5 Individual and Overall Significance of Regression Model

According to Gujrati, (1999) slope coefficient of the regression model estimates the rate of change in the dependent variable due to a unit change in an independent variable. The problem under assessment used multiple regression model in linear form, therefore the slope coefficients of the estimated model the relative change in dependent variable due to the unit change in an explanatory variable. In simple word slope coefficient explains the unit change in the dependent variable due to a unit change in explanatory variables. In the given model coefficients are written as:

$$\beta_i = \frac{\text{Relative change in dependent variable}}{\text{Unit change in independent variable}}$$

After the calculation of slope coefficients validity of the model has been tested through various measures like, t-test, F-Statistics, R-Square and various other diagnostic tests.

To explore the individual significance of the model, an independent t-test has been used for each variable. Under null hypothesis each individual variable EMP (employment status), HI (health status), CP (consumption expenditure), EDU (educational status), TI (tourism inflow) and MI (monthly income) evaluate no significance impact on dependent variable while alternative hypothesis reveal the significant impact of each individual variable on dependent variable of SE. Generally, t-statistics is measured as

$$t = \frac{\beta_i}{Se_i}$$

In an equation,  $\beta_i$  is the representative of slope coefficient of each explanatory variable while  $Se_i$  is the standard error estimates.

Similarly, F-Statistics highlights the overall significance of the model, meaning that under null hypothesis all the explanatory variables do not influence the dependent variable while contrarily under alternative hypothesis at least one of the explanatory variables significantly influence the dependent variable. Generally, F-Statistics is explored as;

$$F = \frac{{R^2/_k}}{(1-R^2)/_{(N-K-1)}}$$

In an equation  $R^2$  is the representative of goodness of fit which is measure through explained sum of square divided by total sum of square (Field, 2005). It reveals how much variation in dependent has been taken place due to all the explanatory variables. If the value of  $R^2$  is greater than 50 percent than the model is considered good fitted and presentable. 'N' represents the number of observations and 'K' is the parameters of the study.

### 3.1.6 Test for Diagnosing the Multicollinearity

Multicollinearity is the situation when independent variables of the selected model are highly correlated with each other. In the presence of the given problem explanatory variable of the selected model moves in the same direction and fifth assumption of ordinary least square technique is violated (Abiodun and Adewole, 2011). According to Asteriou and Hall, (2011) multicollinearity has some serious effect on model and these effects are as follow:

According to Asteriou and Hall, (2011) three methods are used for the detection of multicollinearity. These methods are Variance Inflation Factor (VIF) and Tolerance.

#### 3.1.6.1 Variance Inflation Factor

Multicollinearity is also checked by using Variance Inflation Factors (VIF). The given measure investigates that how quickly variance, covariance increase. The value of VIF ranges from zero to infinity. It is applicable when auxiliary regression run between the explanatory variable and problematic when its value is greater than equal to 10 (Miles, 2014). Mathematically it is represented as:

$$VIF = \frac{1}{1 - R^2}$$

OR

$$VIF = \frac{1}{TOL}$$

#### 3.6.1.2 Tolerance Test

Multicollinearity can also be detected by using tolerance which works opposite to the Variance Inflation Factor. It value vary from 0 to 1 and multicollinearity is an issue when the value of tolerance closer to 0 (Miles, 2014). Mathematically tolerance is expressed as:

$$TOL = \frac{1}{VIF}$$

Or

 $TOL=1-R^2$ 

In the given measure value of the coefficient of determination (R-squared) is obtained by running an auxiliary regression between explanatory variables.

# 3.2 Population

Population refers to the peoples having the same characteristics. In our case, all the peoples who are currently involved in tourism activities and the families whose involved in tourism and employees of hotels, hotels of managers, shopkeeper, tourist guide, and female are local community district Poonch are included. This study just focuses the involvement of the participant in tourism activities both from male and female part of this research. Employees of hotels provide food and accommodation in the district Poonch AJ&K. Tour agents operate offices in Poonch AJ&K.

# 3.3 Sampling Technique and Size

The research study was carried out the area of Poonch district AJ&K. As per the importance, research under consideration has been designed in such a way that both quantity and qualitative data has been gathered by using well-reputed comprehensive questionnaire approved by the supervisor and all committee members.

Bernard (2006) deliberated various methods in the social sciences studies for the selection of appropriate sample size from certain types of groups, events, and cases from large populations. However, in current research, proportionate stratified random sampling technique has been adopted to selected appropriate sample size. A total of 162 questionnaires were distributed among the participants and 146 were found correctly filled.

For the quantitative measurement the problem under discussion used probability sampling technique which involved both stratified random sampling and systematic sampling. In a current study random sample technique have been used to get the required the sample of data whereas for the qualitative studies interviews of the people have been conducted till the saturation point is achieved which was total 8 persons adopted randomly through a non-probability convenient sampling method. As there is an equal chance of selection to everyone in population as the universe is much more

diversified. Which include district Poonch where many hotels and tour agents to cover and to generalize the results more systematically. The intention behind selecting this non-probability sampling technique in this research is used when working with large populations and intends to select particularly informative cases. For this, the study is going to use this technique in Poonch district. The reason behind selecting this sampling procedure is very large diversity between districts and the population size of each district.

The sample size for questionnaire and interview has a significant role in drawing results. The more data is included; the results more explain the features of the population. For this study, the data is taken from different hotels of managers and employees local shop keeper tourist guide and females of the local community and tourism offices of district Poonch. The sample size of 8 is taken from the district Poonch for interview. The sample size of 142 is taken from the district Poonch AJ&K for questionnaire by using the following formula.

$$n= N/1+ N (e) = 142$$

Here in equation, 'n' is the sample size, 'N' is the total population size of the Poonch District AJ&K and lastly 'e' is the margin of error.

### 3.4 Data Collected

In a study under consideration, mix method was used to collect the data. Initially, for quantitative measurement totally 162 questionnaires were distributed among the participants and 146 were correctly field. The data was collected from mid of the January to end of the feb 2022. The first and basic part of questionnaire covered the demographics characteristics and second part covered the main variables based on socio-economic characteristics. As part the qualitative side concern the open-ended questionnaire was developed and the interview of total 8 respondents has been conducted because at that point 8 required saturation levels have been convincingly achieved.

# 3.5 Validity and Reliability

The reliability of the items was check through Cronbach's Alpha Statistics using STATA statistical package. The estimated results reveal that most of the items have 0.827 reliability score meaning that the item under consideration holds relatively high

internal consistency because the reliability coefficient is significantly greater than the suggested threshold of 0.70 (Peterson, 1994). The validity of the items was check through Pearson correlation. Pilot study was done 25 sample as per suggested by Hill (1998) and Isaac and Michael (1995) noted that the range of between 10-30 individuals is adequate for pilot test.

## 3.6 Data Analysis

Quantitative data collected through questionnaire was being analyzed using statistical package of STATA. While interview was analyzed through the N-Vivo version 11. In initial step, descriptive analysis was being made to highlight the key characteristics of the sample. In second step, reliability of data was checked through Cronbach's Alpha coefficient and validity check through Pearson correlation.

In a, linear regression model was developing and used to empirically test the stated hypothesis, measuring the impact of tourism on socio-economic development of AJ&K. Socio-economic development is dependent variable of study and employment, income, and education health consumption was taken as independent variables of research study. To explore the relationships among studied variables and their impact the researchers employed following regression model.

In last step, qualitative analysis was being made to highlight the key characteristics of the variables. The researcher personally visits or call to participants and after permission recording was be start. Firstly, the researcher asked the demographic questions then discuss the topic with it and then finally asked the questions related to our variables. After this, researcher collected all audio file to laptop or computer for detail analysis. Audio data was being translated into English file after listening and then analyzed through N-Vivo by using code and themes.

## **CHAPTER 4**

### RESULTS AND DISCUSSIONS

In this section, the overall qualitative and quantitative research findings are discussed with respect to the variables of tourism. Findings from this phase of study are merged with the results obtained from the quantitative study to give an explanation of participants to participate and hence, increasing user participation within the Poonch district of AJ&K.

# 4.1 Qualitative Analysis

According to Yılmaz (2013), before beginning of study, an assent structure was shipped off the interviewees, and a protocol was produced for the research which incorporates a clear set of the research and an unmistakable agreement of directions for assortment of qualitative research. The protocol additionally incorporates interviewee foundation and can be found. This segment depicts the profiles of the 14 members of interviews, to uncover a clear diagram of their experience which will support understanding the following talk. As a component of the agreements before initiation of the review, no names will be utilized all through the review. Eight (8) participants were interviewed for the review, and they incorporate one female and seven males.

According to Bryman (1986) Data analysis in qualitative research is dynamic. It's a process that involves arranging and reviewing transcripts of interviews systematically to build up the researcher's understanding of the phenomena under research. The challenge here is to make sense of massive amounts of data, reduce the volume of information, identify significant patterns, and to construct a framework for communicating the essence of what the data reveal.

To dissect qualitative research, an expansive scope of thematic analysis can be taken on. The present review chosen the thematic approach to deal with investigate the reactions from the open-ended interview questions. In a thematic analysis, the aim is to identify, analyze and report patterns within data. Similarly, as with some other qualitative examination strategy, thematic analysis tries to give a rich and complex record of some random informational index. With this, the researcher can acquire a more profound break down comprehension of the peculiarity under study. This approach was suitable to break down the continuous examination concerning the jobs

and view of the participants of the area Poonch for both functional and hypothetical reasons. As opposed to expressed qualitative ways to deal with Data analysis, thematic analysis is seen a hypothetically adaptable methodology.

This strategy for investigation gives adaptability as a research tool, which in the end can give a rich however complex record of the dataset. Considering topics as just arising or being found alone is an un-involved record of the course of investigation, it denies the dynamic job of the analyst in recognizing the examples or subjects, picking those of premium and detailing them to peruse. In light of the misinterpretations with regards to what the subject is and the way that it exists, the researcher's judgment is important to figure out what the topic is, henceforth the need to hold adaptability; severe principles won't work.

The strength of a subject isn't such a great amount about quantifiable measures, yet rather, on whether it catches something significant concerning the general examination question. A thematic analysis at inert level reaches out past the semantic substance of the information and begins to distinguish or analyze basic thoughts, presumptions and conceptualizations, and philosophies that are guessed as creating or advising the semantic substance regarding the information.

Raw data can be intriguing to check out, yet they won't provide the peruse with a superior comprehension of social world under a magnifying glass, and the perspectives on the members towards it, except if the given information has been methodically investigated to clarify what is happening. Coding or classifying information is an essential piece of examination. It includes partitioning the information along with relegating classifications, codes or classes are labels or marks used to designate units of significance to the graphic or inferential data assembled during a review. For the most part, codes are joined to lumps of a few words, expressions, sentences or even entire passages, either associated or detached to a given system.

The job of coding includes seeing related phenomena, gathering instances of the phenomena, and afterward dissecting the phenomena to track down any shared characteristics, contrasts, examples and constructions. By making classifications, the development of an applied plan is made which thus is reasonable for the information. The plan helps the researcher to seek clarification on some pressing issues, to analyze across information, to change or drop classes and to make a progressive request of them.

A few codes have shown that it could be valuable to recognize two unmistakable, yet associated stages to information coding, where one spotlights on the implications inside the research setting and the other worried about what might be significant to other external participants.

Coding with N-Vivo is adaptable and rather direct. The analyst could code and un-code data or text anytime, eliminate a code from a hub in the hub posting, rename a hub or move starting with one tree then onto the next and at times become the youngster hub of another hub, and so on. The analyst moved toward the hub creation rationally, where a few classes must be foreordained, thus a portion of the hubs had been made and afterward the reports were coded straightforwardly in N-Vivo, this technique can be utilized in situations where the researcher needs to dispense with the requirement for earlier exhaustive examination of records.

Qualitative research relies on data obtained by the researcher from first-hand interviews, the job of coding in the investigation is essential, to arrange and sort out them. Concentrates on have portrayed coding with regards to information decrease, buildup, refining, gathering and characterization. Most importantly, is to empower the analyst to impart and associate with the total data collection, to work with the cognizance of the arising phenomena and now and again, create hypothesis grounded in the information.

The principal phases of the underlying order were slow, in spite of coding information from only 8 members, due to the length of the interviews and how much data gained from every one of the 8 participants; the main stages are somewhat sluggish and speculative. As the researcher advanced with classifying the information into hubs, choices continuously turned out to be more certain and more reliable with the explanation of every one of the classifications; ambiguities were getting settled and accordingly lessening amazements and phenomena inside the information. Utilizing N-Vivo significantly works on the speed and effectiveness with which the information can be sorted. In any event, for a couple of interviews, the utilization of this product offers researchers the chance to mess with information and get very to know the bundle adequately to without hesitation code. Classes that arose were updated and put in same seed ideas of the structure considered for the review. All assertions and expressions were cited word for word to keep the outflows of the reactions, to give more extravagant significance to the subjects of conversation. In light of the system utilized in the primary

period of the review, the accompanying hubs were made to be utilized to make sense of the participants' perception shown in Figure 4.1.

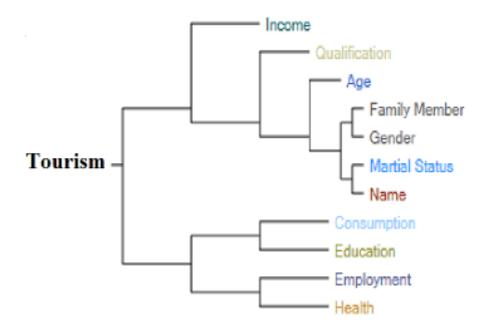


Figure 4.1: Items clustered

Nvivo thematic analysis conducted on qualitative data given good insight of the themes embedded within the data collected. The first part of the qualitative analysis depended on pre-determined themes that is age, consumption, education, employment, family members, gender, health, income, marital status, qualification and name while the second part attempted to elicit the roles of the participants based on their behavior and level of interaction related to tourism as shown in figure 4.2.

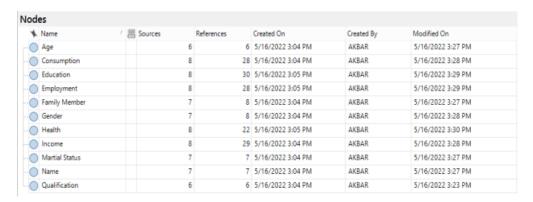


Figure 4.2: List of Nodes

#### 4.1.1 Gender

In this research, 8 participants are selected as a sample and from this 1 are female and 7 are males.

### 4.1.2 Family Members

In this research, 8 participants are selected as a sample and from these 3 participants have seven family members, 2 participants have five family members and other participants have different family members.

### 4.1.3 Age

Mostly have age of 40-45 years and some have 30-39 years' age and 1 participant have 50-year age.

#### 4.1.4 Martial Status

Six participants have life partner, one participant is unmarried and one not disclose this information.

### 4.1.5 Qualification

Three participants have MBA degree; two participants have FA certificate and other have matric.

#### 4.1.6 Education

After asking the question related to education from all participants then 5 to 7 participant's answer that "our children are studying in private school that's an English medium school after tourism but before tourism they are in public schools". Some of participants mention that "per month expenses increase after tourism. When you have more income, you have more money, your life style totally changed".

Based on the participants' views on tourism and education it is clearly noted that upsurge in tourism benefit the education of the people because it works like a business settlement which benefits all the children. For example, local goods are common to all special and common, just as this business is common to all. The other thing is that our area is promoted; people know that this area also has a name. Mostly children are going out of city for higher education, if government try to establish a big university in this area, completely effect localize largely due to low education expenses. Only 5-15% people are getting benefits through tourism because they are investing their money for children education".

#### **4.1.7 Income**

This reflects participant's income after tourism that 4-9 participants agree on "The positive social impacts in tourism are to know about the behavior of people. It includes the learning about different perspectives and increases the income of participants".

Other participants quoted that "There are lot of economic impacts of tourism in our life. People come and stay in tourism spot and purchase things. It effects positively in our life. When source of income increased we received more benefits from tourism and actually it depends upon you that how you treat the people if you focus on the positive things it will bring prosperity in your countries. The world is promoting tourism like Switzerland they are benefited a lot through tourism".

Three participants quoted that "Many tourism destinations are not prepared for tourists due to bad infrastructure e.g. bad condition of roads, transportation, and lack of facilities related tourism is not benefiting the people in a way like it should do. So I don't have enough income to save during tourism and in hard winter, tourism industry almost closed in my area, so income is low.

The participants also recognize the effects of tourism expectations that "The biggest barriers to localized participation in tourism industry are the government taxes and due to this the hoteling industry is weak. The facilities which should be given by the govt. are not available here, and due which the flow of tourist is not as it should be or it supposed to be. In social life, people's interaction with each other increases with new people and learn new things from new people. It also has benefits in personal life as well".

#### 4.1.8 Consumption

The participants also recognize the effects of tourism expectations that "my life style changed a lot after tourism. Peoples from different areas have good interaction with local and they can learn a lot of things from them." One participant quoted that "Before tourism industry I worked in a medicine company but income is not enough there, now, I have my own business, I have no restrictions. This all happens because of tourism industry and this happen because tourist come and purchased different routine life item from my shop that's reason of increasing consumption and my income."

Three to five participants in the distributed questionnaire quoted that "my expenditure increased to buy grocery after tourism. When the source of income increases, it also increases your demands. Tourism affects our daily expenses. Tourism increases the necessity of life. The demands of my children increase due to tourism. Tourism changed our lifestyle. The matters and demands of my family increase due to tourism. Tourism gave a good impact in our life and cause increase in earning and saving.

The participants recognize the features of tourism that "Tourism have same features in all over the world. It has no additional effects in AJK. Our area is hilly. Punjab, Sindh is not a hilly area, so it attracts the people come from other cities. There is lot of barriers. Our infrastructure of roads is not good. The roads do not reach the tourism spots. There is not support of government in AJK".

Other participants recognize the features of tourism that "Tourists are drawn to historical sites such as Toliver Banjosa and some other locations located quite close to the Toliver Banjosa because of the verdant vegetation and picturesque landscapes in those areas. It gives people opportunities that they will enjoy a great deal by travelling to these locations, which are regarded as the most desirable tourist destinations in the Poonch district. These locations include Banjosa Lake, Toliver, and Ganga Mountain. The fact that those who come to visit have to take advantage of AJK's pleasant climate and ambiance is one of the primary attractions of the region, and it is for this reason that the amount of money spent on tourism continues to rise".

### **4.1.9** Health

The participants also recognize the benefits of tourism on health that "we work on the tourism industry; the transportation facilities are also improved and it can cause air pollution that badly affects the health structure". Yes, tourism industry if not regulated properly can cause very harmful effects on environment. It can pollute air badly which is not good for health. In peak tourism seasons, there is a lot of noise. Since we are not used to these kinds of noises from traffic to music, we suffer a lot in terms of headache and irritation. The Tourism definitely causes water pollution when garbage is thrown into water bodies frequently. That water when we consume cause serious health problems like diarrhea and cholera.

### 4.1.10 Employment

The participants recognize the employment with tourism that "I have many workers during tourism. During winter, tourism industry is not at its peak due to bad infrastructure e.g., bad condition of roads, lack of facilities. If government will work on it than employment opportunities increase a lot because every business is related to tourism. When tourist comes, they stay, eat and purchase things. The children of tourist play with the toys that leads to buying and selling and every people and business get benefit from tourism. Tourism promotes small businesses like hoteling, restaurants, guest houses etc. so it benefited a lot of people economically".

Three to five participants agree on that "when people come here, they need a place to stay, they will use transportation so it has a good impact on business. All types of business especially small business are greatly benefited through tourism. Tourism is in the form of industry, if we will work on it, give awareness to the people about hospitality, cooperation, and improve the conditions of the hotels. So, if we will not work on that industry it will not benefit the people. All type of business is related to tourism, people come from outside they will buy dry fruits, many hand-made things etc. The world is benefited through tourism especially Dubai because there is an easy access to visa, there is no security issue in Dubai, laws are strictly followed there and the facilities are good".

On the basis of distributed questionnaire questions response, it is noted that, two participants agree on that "if government try to develop this area, 60% extra tourism will be possible and due to this many new businesses start like that new hotels, tuck shop, tea points, fast food points and many other businesses and from this lot of employment will be produced (Akram et al.,2021; Chari et al.,2011 & GoP,2021).

# 4.2 Quantitative Analysis

Quantitative analysis is used to discuss collected dataset. It assists in developing an understanding of background and characteristics of participants. It comprises distribution or frequencies of demographic variables i.e., age, gender, educational qualification, employment status and monthly income as well as quantitative data of other variables that include economic impact, health impact, employment and consumption. Quantitative data is presented in the following sub-sections in the form of tables for each demographic variable. This part discusses the methods of data

collection through questionnaire, the processes involved in preparing the data and then analyzing the collected data through STATA to test the proposed hypothesis and answer the research questions.

#### 4.2.1 Gender

Initial the descriptive statistics of gender has been defined in current study. Normally, gender is categorized into male and female. The male has assigned value 1 while female has assigned value 0. The estimated frequency of gender is detail presented in table 4.1. Empirical measure along with figure reveals that total number of participants of study area is 142, among these 64 participants which are 45.10% of the total is female and 78 participants which are 54.90% of the total are male. The male are much higher than female. (GOP, 2020). It is clearly demonstrated that total number of males are much higher than female in study area.

Table 4.1: Distribution of Participants with respect to Gender

	Frequency	Percent
Male	78	54.9
Female	64	45.1
Total	142	100.0
	Female	Male 78 Female 64

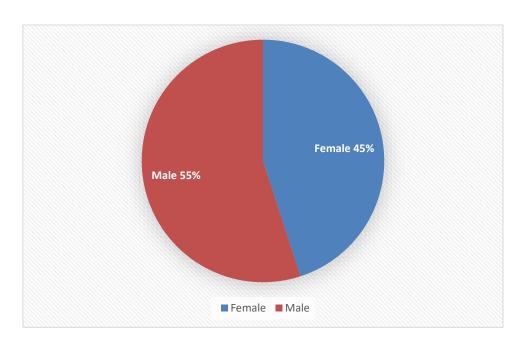


Figure 4.3: Distribution of Participants with respect to Gender

# 4.2.2 Age

After the gender, detail description of age of the participants has been presented in table 4.2. Calculated measures highlighted that age is categorized into 3 categories like 31 to 40, 41 to 50 and above 50. Estimated outcomes evaluate those 73 participants which is 51.40% of the total lies in initial category of age 31 to 40 years while 21 participants which is 14.80% of the total lies in second category of age 41-50 years and finally 48 participants which is 33.80% of the total lies in final category of age more than 50 years. Here descriptive statistics show that on average maximum number of people in study area has age between 31 to 40 years.

Table 4.2: Distribution of Participants with respect to Age Categories

		Frequency	Percent
Age	31-40 Years	73	51.4
	41-50 Years	21	14.8
	More Than 50	48	33.8
	Total	142	100.0

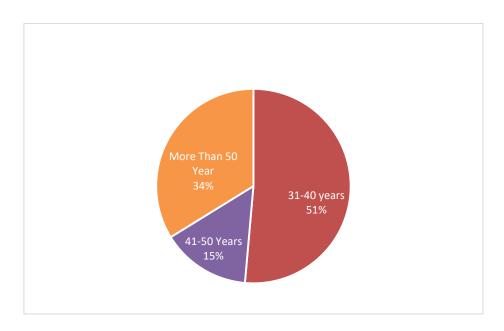


Figure 4.4: Distribution of Participants with respect to Age Categories

### 4.2.3 Educational Qualification

In third key ingredient of education has also been divided into three major categories. In an initial one percentage of those participants discuss that education is intermediate or they are passed 12<sup>th</sup> standard, while in second category those participants have been studied that have done master or pass 16<sup>th</sup> standard. At the end, in third or final category all other participants have been described that passed 10<sup>th</sup> or less than 10<sup>th</sup> standard or done some technical degree. Empirical measures highlight that 64 participants which are 45.10% of the total are passed 12<sup>th</sup> standard while 52 participants which is 36.60% of the total are passed 16<sup>th</sup> standard. Finally, estimates of last category shows that 26 participants which are 18.30% of the total have either passed 10<sup>th</sup> standard or less than 10<sup>th</sup> standard or done some technical degree. By summing up the discussion it has been observed that average education of the residences of Poonch districts is intermediate. Further, the detail is also mentioned in table 4.3 and figure 4.5 which is given below.

Table 4.3: Distribution of Participants with respect to Educational Qualification

	Frequency	Percent
Intermediate	64	45.1
Master	52	36.6
Others	26	18.3
Total	142	100.0
	Master Others	Intermediate 64  Master 52  Others 26

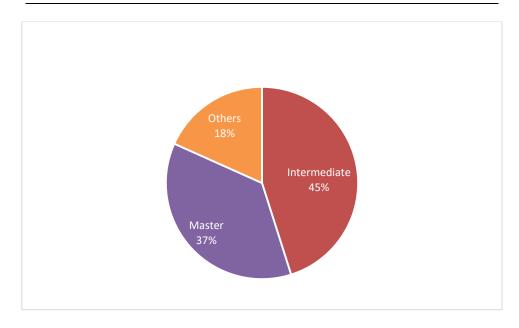


Figure 4.5: Distribution of Participants with respect to Educational Qualification

### 4.2.4 Employment Status

In a fourth crucial category, employment structure of the residences of Poonch District has been detail described. The study shows that employment status of the residences has been categorized into 4 key categories namely unemployed residents; own business residences, Govt. servants and private servants. Empirics evaluate that in first category of unemployed total 31 participants' lies which is 21.80% of the total, meaning that among 142 participants 21.80% are still unemployed due to many reasons while most common is that these unemployed people are directly linked with tourism but due to reside in under developed area of Poonch district they are not earning required revenue from tourism. Similarly, in own business category 25 participants' lies which are the 17.60% of the total. In a government and private servant categories total 60 and 26 participants' lays which are 42.30% and 18.30% of the total 142 participants. Overall estimates highlight that in Poonch district mostly residences are government servants. Further detail is also given in in the table 4.4 and figure 4.6 below.

Table 4.4: Distribution of Participants with respect to Employment

		Frequency	Percent
	Unemployed	31	21.8
	Own Business	25	17.6
Employment	Govt. Servant	60	42.3
	Private Servant	26	18.3
	Total	142	100.0

Private
Servant
18%

Govt. Servant
42%

Own Business
18%

Figure 4.6: Distribution of Participants with respect to Employment

### 4.2.5 Monthly Income

Like above, the variable of income has been divided into 4 major categories which are 0 to 20000 rupees, 21000 to 40000 rupees, 41000 to 60000 rupees, 61000 to 80000 rupees and finally more than 80000 rupees respectively. The study shows in initial category of 0 to 20000 total 6 participant lies which is the 4.2% of the total. Similarly, in the category of 21000 to 40000 27 participants lay which 19% of the total. Further, in third, fourth and fifth category i.e. 41000 to 60000, 61000 to 80000 and more than 80000 19, 52 and 38 participants lay which is the 13.40%, 36.60% and 26.80% of the total. By summing up overall discussion, it has been observed that average income of residences of Poonch district is between 61000 and 80000 which is quite higher income and the reason behind this is maximum number of residences are government servant at higher posts. Further the detail is given in table 4.5 and figure 4.7.

Table 4.5: Distribution of Participants with respect to Monthly Income

		Frequency	Percent
<b>Monthly Income</b>	0-20000	6	4.2
	21000-40000	27	19.0
	41000-60000	19	13.4
	61000-80000	52	36.6
	More than 80000	38	26.8
	Total	142	100.0

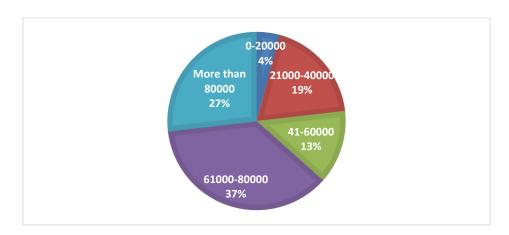


Figure 4.7: Distribution of Participants with respect to Monthly Income

#### 4.3 Socio-economic in Poonch District

To explore socioeconomic in Poonch district initially primary data has been collected through a random sampling method. A series of question asked to the people like tourism play vital role in creating employment opportunities. Tourism creates business benefits for local community. Tourism brings investment for local community. Tourism socially creates recreational opportunities. Tourism helps to develop infrastructure. In these questions it has been observed that maximum people's response is strongly agree meaning that all the asked questions have keen importance and the issue under consideration can't be ignored. However, according to figure few people are neutral and also some people response is against the socioeconomic tourism developments. But the positive response of people is quite high that offset the neutral and negative response of the people.

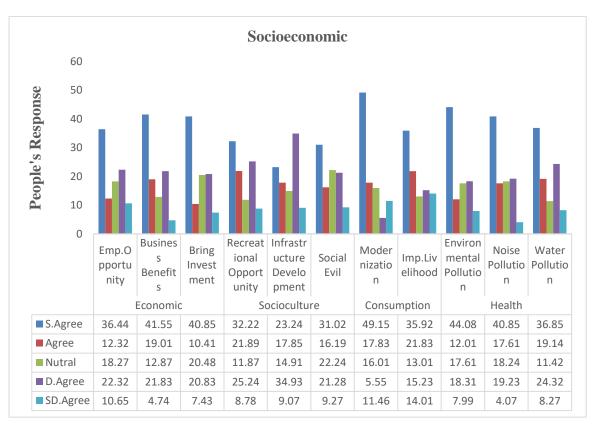


Figure 4.8 Response of the People Regarding Socio-economic.

According to figure 4.8, it has been clearly noted that in every question people responded significantly. More than 50% agree that tourism has key role in the development of area under discussion. However, 35% people disagree this and around 10 to 15% people are neutral. On the basis of positive response of the people,

by following Akram et al. (2021) study socioeconomic development indicator has been generated through PCA (Principal Component Analysis) and regress with various other variables like tourism inflow, consumption expenditure, income & education of the people and level of employment. In a given 11 questions PCA has adopted 5 key most valid question and generated a single variable that capture the impact of all the asked questions and represents the dependent variable of the study. The general description of the variables with well reputed regression analysis is given below

### 4.3.1 Descriptive Analysis

Table 4.6 highlights the descriptive statistics of all the key variables taken under consideration. Estimated measures evaluate that the mean value of social economic variable of tourism is 1.43 with standard deviation 0.75 & minimum (maximum) values 1.91 (2.43). Similarly, mean value of income is 3.62 with standard deviation 1.19 and minimum (maximum) values 1 (5). These estimates significantly highlights that the maximum earning of Poonch district tourism supporting community is between 40 thousand and 80 thousand rupees monthly. However, descriptive outcomes of consumption expenditure evaluate that on average residences of Poonch district have consumption expenses 3.19 with standard deviation 0.393 and minimum (maximum) values 2 and 5. These estimates significantly elaborate that the consumption expenditure of community under discussion is between 25 thousand to 35 thousand monthly. Moreover, estimated measures of level of employment highlights that on average most of the residence belong to employment category 2 and 3 meaning that among a discuss population most of them are govt. employs and have their own business. Education measures explore that mean value of education attainment is 3.28 with standard deviation 1.21 and lowest (highest) value 2 and 5 respectively. It evaluates that on average residences of Poonch district have bachelor and master level education. At the end tourism inflow explore that on average the tourist arrives in Poonch district is between 300 to 450 monthly because the mean value of tourism inflow is around 3 in such categories the tourist inflow is between 300 to 450. The standard deviation measure of tourism inflow is 0.909 and minimum (maximum) value 2 (4) respectively.

**Table 4.6: Descriptive Statistics** 

Variables	Mean	S.D.	Min.	Max	N
SE	1.43	0.75	1.91	2.43	142
Income	3.62	1.19	1	5	142
C. Exp.	3.19	0.393	2	5	142
Emp.	2.57	1.02	1	4	142
Educ.	3.28	1.21	2	5	142
Tourism inflow	2.82	0.909	2	4	142
N	142	142	142	142	142

SE= Socioeconomic Development, C. Exp= Consumption Expenditure. Emp.= Employment Level & Educ.= Education

Source: Authors Own Citation Using Primary Data collected from Poonch District

#### 4.3.2 Correlations

Correlation analysis shows the actual relationship among all the variables taken under consideration. The value of correlation matrix lies between -1 to 1. If the value is closer to zero the relationship is weak and if the value is closer to 1 the relationship is strong. However, the value of any variable is greater than 0.90 the relationship is problematic because it causes the issue of multicollinearity in data (Asetriou and Hall, 2007). In a current study estimated results reveals that all the variable are strongly correlated with each other without the issue of multicollinearity because no estimated value is greater than 0.90. Further, relationship also elaborates that socioeconomic of tourism is positive for all the variables which means increase in tourism has beneficial impact on the residences of Poonch district.

**Table 4.7: Correlation Analysis** 

	SE	Inc.	C. Exp.	Emp.	Educ.	Tourism inflow
SE	1.00					
Inc.	0.36	1.00				
C. Exp	0.08	0.56	1.00			
Emp.	0.84	0.08	0.11	1.00		
Educ.	0.34	0.137	0.32	0.60	1.00	
Tourism inflow	0.53	0.18	0.44	0.20	0.29	1.00

Source: Authors Own Citation Using Primary Data collected from Poonch District

### **4.3.3 Diagnosing Multicollinearity**

In a table 4.8 two widely known methods VIF (Variance Inflation Factor) and Tolerance test are applied to foretell multicollinearity. Premeditated outcomes of table 4.8 validate that no calculated measure of any explanatory variable is greater than strict and relax criteria of 5 & 10 that present strong evidence of no multicollinearity. However, the variable of health which is causing issue of perfect multicollinearity has been removed by statistical package itself. Calculated measures of VIF (tolerance) of other variables education, employment status, consumption expenditure, tourism inflow and monthly income is 2.05 (0.487), 1.65 (0.606), 2.56 (0.390), 3.27 (0.305) & 2.83 (0.353) respectively. These measures validate that there is no issue of multicollinearity because each VIF value is less than 10 and each tolerance measure is greater than 0.10.

**Table 4.8 Variance Inflation Factor and Tolerance Test** 

Variables	VIF	Tolerance
Education	2.05	0.487
Employment Level	1.65	0.606
Consumption Expenditure	2.56	0.390
Tourism inflow	3.27	0.305
Monthly Income	2.83	0.353
Mean VIF	2.47	

Source: Authors Own Citation Using Primary Data collected from Poonch District

### 4.3.4 Regression

In a current study, multiple regression method has been used to evaluate the impact of various key ingredients on socioeconomic impact of tourism. This method is used to conclude the quantitative relationship between variables. Regression analysis was used to test the main effects as well as the main effect of the variables.

**Table 4.9: Regression Analysis** 

Variables	Coefficients	Std. Error	T-Value	Prob.
C. Expenditure	2.38	0.103	23.11	0.000
Education	0.54	0.029	18.07	0.000
Employment	1.60	0.032	50.41	0.000
Monthly Income	1.73	0.035	49.43	0.000
Tourism inflow	0.40	0.050	7.85	0.000
Constant	-13.53	0.426	-31.77	0.000
R-Squared	0.9713		Adj. R- Squared	0.9703

Source: Authors Own Citation Using Primary Data collected from Poonch District

The results obtained from regression analysis are presented in Table 4.9. Estimated results indicate that consumption has a significant positive effect on socioeconomic development ( $\beta$  = 2.38, t= 23.11) these estimates are in line with pervious calculates of Chen and Ioannides (2020); Jackman and Lorde (2010) and Khoshnevis Yazdi (2019). Meaning that when tourism inflow increase, it boosts the living standard of the common man. When living standard of the common man improved and he spends more on necessary and luxury products that increase their consumption expenditure. Precise increase in consumption expenditure is the sign of socioeconomic development of the residences of the study area.

Similarly, calculated measures of education also evaluate the significant positive impact on socioeconomic development ( $\beta$  = 0.54, t= 18.07) which is also consistence with pervious idea of Matahir and Tang (2017) and Katircioğlu (2010). It means when tourism inflow increases people earning improve. Such improvement earning compel people to spend on their children education. Increasing level of education in study area create serious awareness to the people regarding upgradation of their livelihood that ultimately leads to socioeconomic development of the Poonch District residences.

Outcomes of employment status, monthly income and tourism inflow also reveal significant direct impact on socioeconomic development ( $\beta$  = 1.60, t= 50.41); ( $\beta$  = 1.73, t= 49.43) & ( $\beta$  = 0.40, t= 7.85) meaning that increasing tourism inflow played a vital role in improvement of all above sectors because when tourist comes from outside either from local area or from other international country they buy different products from local community and also share various idea regarding their livelihood improvements that put positive impact on local residences and ultimately caused their socioeconomic development. These estimated outcomes of all the variables are significantly consistence with various previous studies like Manzoor et al. (2019); Obong and Etim (2019); Khan et al. (2021); Ecekels et al. (2012); Ucak (2016) & Godovykh and Riddesstaat (2020) who also stated positive association among socioeconomic development of people with employment status, monthly income and tourism inflow. At the end, accuracy of the model has also been judged through well reputed statistical measure of R-Squared. Calculated outcomes of R-squared is 97% meaning that developed model is accurate, good fitted and well presentable.

The regression analysis helps us to measure the individual impact of each independent variable on dependent variable. The researchers were also interested to measure the overall significance of the model therefore in various studies ANOVA table has been included. The basic null hypothesis regarding F-Statistics of ANOVA table is "the entire explanatory variables have no significant impact on dependent variable". In a current study null hypothesis is rejected at 1% level of significance revealing that at least one of the explanatory variables have significant impact on socioeconomic development of community.

Table 4.10: ANOVA Table to Present Overall Significance of the Model

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	420.44	5	84.08	921.4	.000 <sup>b</sup>
Residual	12.40	136	.091		
Total	432.85	141			

### 4.3.5 Discussion

The findings from the regression analysis highlight several significant factors that have a substantial influence socioeconomic development. This finding is in line with previous studies conducted by Chen and Ioannides (2020), Jackman and Lorde (2010), and Khoshnevis Yazdi (2019), providing further support to the existing body of knowledge. The results suggest that as tourism inflow increases, it leads to an improvement in the living standards of the common people. This improvement in living standards subsequently translates into increased consumption expenditure. A precise increase in consumption expenditure is viewed as an indicator of socioeconomic development within the study area.

Secondly, the analysis indicates that education has a significant positive impact on socioeconomic development. This finding is consistent with the ideas put forth by Matahir and Tang (2017) and Katircioğlu (2010). As tourism inflow increases, people's earnings also improve. This increase in income prompts individuals to invest more in their children's education. The rise in the level of education within the study area creates awareness among the people about the importance of enhancing their livelihoods, which ultimately contributes to socioeconomic development.

Moreover, the analysis demonstrates that employment status, monthly income, and tourism inflow have significant direct impacts on socioeconomic development. The increasing tourism inflow plays a vital role in driving improvements in these sectors. When tourists visit the area, they not only contribute to the local economy by purchasing products from the local community but also share ideas and insights on how to improve livelihoods. These interactions and exchanges with tourists have a positive impact on the local residents, leading to socioeconomic development. These findings are consistent previous studies conducted by Manzoor et al. (2019), Obong and Etim (2019), Khan et al. (2021), Ecekels et al. (2012), Ucak (2016), and Godovykh and Riddesstaat (2020), which have also identified a positive association between socioeconomic development and employment status, monthly income, and tourism inflow.

In summary, the regression analysis findings provide robust evidence on the significant factors influencing socioeconomic development. The positive impact of consumption expenditure, education, employment status, monthly income, and tourism

inflow highlights the multifaceted nature of socioeconomic development and the disconnectedness of various factors. These findings align with previous research, strengthening the validity of the results. By shedding light on the specific factors that drive socioeconomic development, policymakers and stakeholders can make informed decisions and implement strategies to foster economic growth and enhance the well-being of the community.

# **CHAPTER 5**

### CONCLUSION AND POLICY RECOMMENDATIONS

# 5.1 Findings

In a last and quite crucial section of the study, detail descriptions of the above findings have been discussed. The empirical findings along with comprehensive interpretation are detail presented in preceding section which is Chapter 4. In spite of the fact that there're many research studies found that have described socioeconomic influence of tourism in different areas of Pakistan and other developed countries. But still in the context of Poonch district yet a single study has not been taken under consideration that widely describe the impact of tourism inflow and various other indicator on socioeconomic development of the residences of area under consideration.

Therefore, this research examines the general impact of the tourism inflow on socio-economic development in Poonch District AJ&K. To explore the outcomes in detail study has been discussed in three key sections; first section of chapter 4 detail discussed the descriptive statistics of various variables like gender, age, education and employment status etc. Second section describe the actual association among variables through correlation matrix. At the end third section discuss multiple regression model to explore the impact of tourism inflow, education, employment, and income and consumption expenditure on socioeconomic development of the residence of Poonch district.

The estimated regression analysis shows that association of all the variables i.e. monthly income, education, employment status, tourism inflow and consumption with socioeconomic development of the people of Poonch District AJ&K is positive and statistical significant at 1% level of significance which means that increasing tourism inflow increase the residence monthly income, education, employment status, and consumption expenditure that ultimately boost their socioeconomic developments because increasing tourism leads to advance investment in various sectors which create employment opportunities for labor force when maximum labor force got employed the income of the residence got boosted which leads to raise their livelihood, with improve in the livelihood, residences boost their consumption expenditure spend more on the

education and other basic necessities that ultimately improve their education level and overall status and cause socioeconomic development.

Finding of the study further demarcate that tourism is beneficial for residences of Poonch districts because in one side it leads to create employment opportunities for the residence of Poonch districts while on the other side it boosts the livelihood of residence by improving their income, education level, health status and monthly earning that leads to their socioeconomic development. All these finding is substantially in line with Chen and Ioannides (2020); Jackman and Lorde (2010) and Khoshnevis Yazdi (2019); like Manzoor et al. (2019); Obong and Etim (2019); Khan et al. (2021); Ecekels et al. (2012); Ucak (2016) & Godovykh and Riddesstaat (2020).

### 5.2 Conclusion

The study under consideration examined the impact of tourism inflow on socioeconomic development of the residences in Poonch District Azad Kashmir by utilizing primary data collected through well-organized questionnaire and three statistical quantitative approaches namely descriptive statistics, correlation matrix and multiple regression model as well as interview method of qualitative approach. Stepwise outcomes of the study highlight that according to descriptive statistics percentage of male are higher in study area as compared to female counterpart. On average most of the population is young and have the age range between 31 to 40 years. Measurements of the education, employment status and monthly income explore that on average maximum residences of study area have intermediate education, monthly income between 61000 to 80000 and holding govt. job. Secondly, the estimates of correlation matric evaluates that all the variables have positive strong association with socioeconomic impact of tourism. Finally, results of multiple regression the key segment of the study explore that all the variables have significant direct impact on socioeconomic variable. These finding significantly concluded that increasing tourism has crucial role for the developing economy of Pakistan especially Poonch District of AJ&K. Results reveal that boost in tourism not only cause the development of the area under discussion but also boost the monthly income of common man, bring advance investment, create employment opportunities, raise education of the residences and also improve health sector by introducing advance technology. By summing up discussion, it has been found that tourism is positively associated to every segment of society which is strongly validated with empirical outcomes and consistency of empirical outcomes

are also confirmed with qualitative estimation. The overall discussion concludes that if government wants to develop Poonch district it is desire need to increase the tourism in study area.

### POLICY RECOMMENDATIONS

It is necessarily needed for the federal government as well as local government to develop the Poonch District with advance facilities like built new roads, provide place for easy car parking, develop infrastructure, provide advance and globally accepted accommodations so that maximum number of tourists arrived. With the arrival of tourist, a substantial amount of revenue has been generated that ultimately spend on local residence of Poonch district and caused their socioeconomic development in various sectors like it boost income, expenditure of the local residence and provides then opportunities to boost their livelihoods, education of the children and also utilized advance health facilities.

To boost tourism in Poonch district it is necessary for the government to provide all possible entertainment facilities as available in big hotel and restaurants without harming the norms of the local residences. These measures also attract tourist and boost tourism that ultimately generate revenue for the residences of the study area at greater extent and provide them an opportunity to enhance their socio-economic status.

The government should adopt such policies that encourage not only domestic tourism but also foreign tourism such as investment infrastructure, like roads, hotels restaurants. The private sectors, must also be encouraged to policy its part in terms of increasing the inflow of tourism is the key to uplift the socio-economic status of the residence of the study area.

### RESEARCH LIMITATIONS AND FUTURE DIRECTION

Initially, the study under discussion is limited to just one district and 142 respondents; in near future with the availability of traveling expenditure the number of districts as well as respondents can be enhanced. Secondly, in current study only few socioeconomic variables are included but in future the study can be made more logical by adding some other key demographic variables like age, sex, regions of the respondents.

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### **APPENDICES**

### APPENDIX A

### **INTERVIEW**

I, Kiran Sohrab student of NUML University, Department of Economics, conduct an interview on the Socio-Economic Impact of Tourism in Azad Kashmir District Poonch. Please give proper answer of each question.

### **Demographic Question:**

- 1. What is your name?
- 2. What is your age?
- 3. What is your Gender?
- 4. How many members are there in your family?
- 5. What is your marital status?
- 6. What is your Qualification?

### **Income**

- 1. Did your income increase after tourism?
- 2. Have you enough money to save during tourism?
- 3. Have you enough money to daily /weekly/monthly expenses need during tourism?
- 4. Did you have purchase own transportation such as car bicycle motor cycle after tourism?

## Consumption

- 1. Did your consumption expenditure increase able to buy grocery after tourism?
- 2. Did tourism effect on your daily expenses?
- 3. Did your life style change after tourism?
- 4. Did you have enough income to fulfil daily need due to tourism?

.2کیا سیاحت نے آپ کے روزمرہ کے اخراجات پر اثر ڈالا؟

. 3کیا سیاحت کے بعد آپ کا طرز زندگی بدل گیا؟

. 4 کیا آپ کے پاس سیاحت کی وجہ سے روزانہ کی ضروریات پوری کرنے کے لیے اتنی آمدنی تھی؟

### **Employment?**

- 1. Did you have more workers during tourism?
- 2. Did you increase wages time to time?
- 3. Did employment opportunities after tourism?
- 4. Did you hire worker family members after tourism?

.1کیا آپ کے پاس سیاحت کے دوران زیادہ کارکن تھے؟

.2كيا آپ نر وقتاً فوقتاً اجرت ميں اضافہ كيا؟

. 3کیا سیاحت کے بعد روزگار کے مواقع ملے؟

.4كيا آپ نے سياحت كے بعد وركر فيملى ممبرز كى خدمات حاصل كيں؟

### **Education**

- 1. Did your education expanses increase after tourism?
- 2. In which school you send your children?
- 3. Did your children per month education expenses increase after tourism?
- 4. How many of your children are living in hostels due to tourism?

.1کیا سیاحت کے بعد آپ کی تعلیمی وسعت میں اضافہ ہوا؟

.2آپ اینے بچوں کو کس اسکول میں بھیجتے ہیں؟

. 3کیا سیاحت کے بعد آپ کے بچوں کے ماہانہ تعلیمی اخر اجات میں اضافہ ہوا؟

.4آپ کے کتنے بچے سیاحت کی وجہ سے ہاسٹلز میں رہ رہے ہیں؟

### Health

- 1. Did tourism effect on health structure?
- 2. Do you think tourism causes environmental pollution is dangerous to your health?
- 3. Do you think noise pollution caused by tourism is harmful to your health?
- 4. Did tourist activities produces serious water pollution in lakes, rivers, and dams that on your health effect?

.1کیا سیاحت کا صحت کے ڈھانچے پر اثر پڑا؟

.2کیا آپ سمجھتے ہیں کہ سیاحت کی وجہ سے پیدا ہونے والی ماحولیات آلودگی آپ کے صحت کے لیے خطرہ ہے؟

. 3کیا آپ سمجھتے ہیں کہ سیاحت کی وجہ سے پیدا ہونے والی شور کی آلودگی آپ کی صحت کے لیے خطرہ ہے ؟

. 4 کیا سیاحوں کی سرگرمیوں کی وجہ سے دریاوں ، جھیلوں اور ڈیموں کے پانی کی آلودگی آپ کی صحت کی متاثر کر رہی ہے؟

## THE SOCIO-ECONOMIC IMPACT OF TOURISM

# **QUESTIONNAIRE**

I am Kiran Sohrab student of NUML University, Department of Economics, conduct a survey on the socio-economic impact of tourism.

Thank you very much for agreeing to participate in this survey.

The information provided by you in this questionnaire will be used for research purposes. It will not be used in a manner which would allow identification of your individual responses.

### 1. Gender

- Male
- Female

### 2. Education

- Primary
- Middle
- Matric
- Intermediate
- Graduation
- Master
- Other

### 3. Employment status

- Unemployed
- Own Business
- Government Servant
- Private Servant

### 4. Age

- 21-30 Years
- 31-40 Years
- 41-50 Years
- 51-60 Years

# 5. Monthly Income

- 0-20000
- 21-40000
- 41-60000
- 61-80000
- 81-100000

# 4 Tourism Inflow [total no. of tourist arrived]

- 0 to 150
- 150 to 300
- 300 to 450
- 450 to 600
- 600 and above.

# 5 consumption expenditure

- 5000 to 12000
- 12000 to 25000
- 25000 to 35000
- 35000 to 50,000
- 50,000 above.

# **Employment**

Statements	1	2	3	4	5	source
Tourism increases     recreational     opportunities.						Akram, et al. (2021).
2. Tourism creates employment opportunities for						Akram ,et al. (2021).

residents in the		
community.		
3. Local businesses		Nikolina et al. (2004).
benefit the most		
from tourists.		
4. Employment		Nikolina et al. (2004).
includes jobs that		
are directly related		
to tourism such as		
hotel, jobs ,taxi		
services restaurant's		
jobs		
5. Creates more jobs to		Nikolina et al. (2004).
women.		
6. The number of jobs		F., Turker et al. (2016).
in the community		
has increased due to		
tourism.		

# Income

	Statements	1	2	3	4	5	source
1.	Tourism increase						Akram, et al. (2021).
	household income.						
2.	The personal						Akram, et al. (2021).
	income of local						
	residents has						
	increased due to						
	tourism						
	development.						

3. Improvement in		Nikolina et al. (2004).
quality of life due		
to tourism.		
4. Increase of price		Nikolina et al. (2004).
level of rental		
houses.		
5. Tourism provides		Montenegro et al. (2019).
additional income		
in this village.		
6. Tourism is a better		Nikolina et al. (2004).
source of income.		
7. Tourism related		Nikolina et al (2004)
jobs are high		
paying.		

# **Health Impact (HI)**

	1	2	3	4	5	source
1. Tourism cause environmental pollution and that i						Montenegro et al. (2019).
a health effect.  2. Tourism produce noise that affect health.						<b>Zhang</b> et al. (2015).
3. Tourist activities produce serious water pollution is lakes, rivers, and dams that also affect health.	s n d					Akram, et al. (2021).
4. Tourism produce large quantities of						Akram, et al. (2021).

	waste products and			
	garbage that is			
	damage human			
	health.			
5.	Tourism has			Montenegro, et al. (2019).
	contributed to the			
	preservation of the			
	natural environment			
	and the protection			
	and health of the			
	wildlife in the			
	community.			

# **Consumption (CP)**

Statements	1	2	3	4	5	Source
Statements	1	2	3	7	3	Source
1. Increase in sale						Nikolina et al. (2004).
supply of goods due						
tourism.						
2. Tourists usually						Nikolina et al. (2004).
demand new goods						
and services.						
3. Living standard is						F., Turker, et al. (2016).
more improved.						
4. More investment in						Akram, et al. (2021).
						7 milani, et an (2021).
various areas.						
5. Tourism increase						Nikolina (2004).
cost of living.						
						Al
6. Your spending						Akram, et al. (2021).
depends upon tourist						
activities.						

Culture
[1 = strongly agree, 2 = agree, 3 = Neutral, 4 = Disagree, 5 = Strongly disagree]

1. Tourism has increased residents' pride in the local culture in the community.  2. Tourism helps keep culture alive and helps maintain the ethnic identity of the local residents.  3 The commercial demand of tourists causes changes in the style and forms of traditional arts and crafts.  4. Tourist influences the local language, local culture and dressing.  5. Meeting tourists from all over the world is definitely a life enriching experience.  6. The cultural exchange between residents and tourists is valuable for the residents.	Statements	1	2	3	4	5	Source
pride in the local culture in the community.  2. Tourism helps keep culture alive and helps maintain the ethnic identity of the local residents.  3 The commercial demand of tourists causes changes in the style and forms of traditional arts and crafts.  4. Tourist influences the local language, local culture and dressing.  5. Meeting tourists from all over the world is definitely a life enriching experience.  6. The cultural exchange between residents and tourists is valuable for the	1. Tourism has						M.et al. (2010).
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crafts.  4. Tourist influences the local language, local culture and dressing.  5. Meeting tourists from all over the world is definitely a life enriching experience.  6. The cultural exchange between residents and tourists is valuable for the	style and forms of						
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	residents and tourists is						
residents.	valuable for the						
	residents.						