Effect of Tourism on Small Business in Lulusar-Dudipat National Park (LDNP) Kaghan Valley, District Mansehra: A Comparative Study

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ABSTRACT

Lulusar-Dudipat National Park is an attractive eco-tourism spot for people across the country and the majority of foreigners visit the park to see its beauty and scenery. Eco-tourism plays a major role in earnings and creates employment opportunities for local communities. The main objective of the study was to investigate the effect of tourism on small businesses in the study area. Simple random sampling and proportion allocation sampling technique was used for the selection of 93 sample respondents in the study area. The data were collected through interviews and questionnaires from sample respondents in the study area. In this study, data was collected and analysed through descriptive statistics, Paired t-test, and Binary Logistic Regression model by using SPSS software. The results of the study show that there is a significant effect of tourism on small businesses in the study area. The difference between the means of occupation of the sample respondents is 0.18 between on-season and off seasonal. The study concludes the difference between the incomes of the respondents is -0.44. Similarly, the results of this study show the effect of tourism on prices of livestock products during tourist season and after the tourist season is -0.37. Furthermore, it is also concluded that the effect of the tourism industry on the community and the number of tourists visiting the study area is 0.56. Along with that, the effect of tourism on small businesses in the study area was also analyzed through Binary Logistic Regression. The study recommended that the government should make policies for the promotion of eco-tourism by providing proper facilities to the tourists and follow the ideas from the other advanced countries.

INTRODUCTION

Tourism has a strong impact on the natural and man-made environment. Entertainment, trade, and stayed

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areas concerning to human activity remunerate from within a successive year for further reasons, not the normal environment somewhere for the activities of visitors going (WTO, 2011).

Dasanayaka and Mustafa et al. (2008) explains that small and medium enterprises (SMEs) are more beneficial for underdeveloped areas. No one knows the exact definition and explanation of small and medium enterprises in Pakistan. According to the author all of them, the small and medium enterprises (SME) banks, Pakistan bureau of statistics (PBS), medium and small companies exclusively (SMEDA), and the state bank of Pakistan (SBP) explain the small and medium enterprises in different views. "According to the 5th agenda of different companies order in 2015 securities and exchange commission of Pakistan (SECP) were categorized into small, medium and large firms accordingly. Perhaps, small and medium companies exclusively explain that the small and medium enterprises depend upon the sum of workers working in the SMEs and on the industrious resources they give. For measuring the small and medium enterprises analyses these resources. According to the Pakistan Bureau of Statistics (PBS) defines the small and medium enterprises only depend on the sum of workers working in the SMEs.

On the other hand state bank of Pakistan (SBP's) explains to small and medium enterprises what type of entrepreneurship people practice, on the sum of workers working in a company, on the selling of commodities on annual basis, and salaries of employees. The accurate explanation of small and medium enterprises is that a company must depend on 250 employees, the capital should be twenty-five million, and should sell out the commodities about Rs.250 million on annual basis.

History of the Tourism Industry

Individuals who move towards different infrastructures, artistic workings, and for seeking different languages, different values, and to experience different food have traveled to far-flung areas worldwide. Canterbury stories are mainly for divine journeys, but according to history vocations were always experienced as a sort of practice, pilgrimage by international tourist's needs money and utilizing the existing usage of travelers feature. Traveling remains more important these days. The tourists always visit those tourism spots where they feel relaxation, leisure, and happiness. In the 17th century, outstanding trips try out to popular in London. In the 18th-century maharaja's son was gone for a study trip to Europe to experience the educational and professional period. Also in the Eighteenth century, Pompeo Batoni painted most of the adorable and attractive people in Rome. This mega trip is an aspect for the same recent tourists (Singh, 2010).

Economic Importance

The travel industry is a major platform to develop economies. Equally domestic as well as worldwide tourism effects on the economy have to measure to evaluate the effect of the tourism industry. Tourism accommodation for financial activity over the trade of services and products for travelers has improved, giving rise to tourism development. Tourism can provide a more stable income; enhance the incoming income from other countries, and development of the economy of the country. The incoming and

outgoing money contributes to overcome the losses and develop the country (Shantmani, 2010).

The National Park of Lulusar and Dudipat

In 2003, Lulusar and Dudipat lakes were identified as Lulusar-Dudipat national park, occupying about 30,375 hectares of area in Manshera district, by an opinion to safeguard the water bodies along with its bio-diversity. Dudipat Lake is located on the northern sideways of Kaghan valley at a height of 4,175m above sea level. The weather of the park having extreme temperatures reaching -5°C to 20°C. Great mountaintops stay roofed by snow for a maximum period. The area having royal landscapes which force visitors to stay here and to identify the magnificent nature.

Balakot is also called the "Gate of the Kaghan Valley". Lulusar pond is also significant for the river Kunhar (180km long) starts from this lake, flowing towards the south linking the Neelum and Jehlum rivers. River Kunhar is as well famous for its quality to cure sore eyes due to which it is also called nain sukh. Tourists can reach the Dudipat Lake in about 4 hours by footsteps or by reserving the horse and the ticket of these horses got changed for a trip. Tourists meet hospitable nomads going to the peak of mountains with their cows, bulls, etc. A heaving natural beauty seems after enough hiking where Dudipat Lake is surrounded by snow-covered peaks. There is a wonderful landscape and ponds fascinate visitors in each season from June to August. Pleasing meadows, remedial flowers, flora & fauna, temperate weather, and glaciers enhance the beauty of the park. The heavy snowy season makes the climate dry in the cold season. These places are best for leisure and learning.

Kaghan valley is mostly a hilly area and fulfilling the basic needs of life is very difficult due to limited job chances in government as well in the private sector. The native people mostly depend on the small agricultural land, small-scale entrepreneurs, small hotels, and money spent by foreigners in these localities. Kaghan valley is a tourism area where tourists and tourism perform an important part to develop the income of the native group of people.

As revealed earlier that the Kaghan areas having a broad cable of tourist spots, GOD gifted beauty, greenery that got attention from travelers and on an international basis. Here local communities perform small-scale businesses for living because in these areas the employment chances are very limited and for this purpose, the residents depend on the small hotels and the rearing and caring of cattle, etc. Due to these situations the tourism having high possibilities of enhancing tourism and adjust more residents in different income making deeds. Nowadays Khyber Pakhtunkhwa is focusing to build up more and new tourist spots and areas for purpose of the rising economy, for the enjoyment and relaxation of tourists.

That is important to know that the current research will focus on the current situation, circumstances, and environment with the concern to know about the employment chances related to tourism and income-generating activities in the tourist spots. Keeping in mind that the Lulusar-Dudipat having more employment opportunities as compared to other tourist spots. Also, that analysis assesses the importance of increasing tourism and its possession on education, some earning activities, and ways of work and jobs. The study also focuses on the questions that in the future these tourist spots will get more attention

or would be more important for the residence, earning, employment, and education of the local people and these income-generating activities would be more beneficial for the local communities.

The following are the objectives of the study:

1. To compare the sample respondent's income between on and off tourist season in the study area.
2. To investigate the effect of tourist season and off the tourist season in the study area.

LITERATURE REVIEW

Jaafar and Rasoolimanesh (2015) concluded the study is about showing how respondents earn from these small-scale businesses and enhance their well-being, lifestyle, and living standard. This study was carried out in the Kinabalu National Park, Sabah, to study a few features and problems of tourist activities. In 2000 Kinabalu National Park gone more beneficial for economic chances in those underdeveloped areas where small-scale businesses were practiced. For study analysis, quantitative data were used and about 145 respondents were interviewed who performing small-scale businesses in these underdeveloped areas. After analysis author found that most of the respondents of these small-scale businesses were female and the majority of the female used their earnings to start their small-scale businesses. These respondents were mostly young and belong to poor families and have less education. These female respondents face more difficulties in starting and growing their entrepreneurs because of less education, less experience, fewer skills, and insufficient information about establishing their business. Now the results of the study show that in these areas, the respondents need training related to entrepreneurs and need business-related helps in terms of money to start their well-developed small-scale businesses and improve their lifestyle and well-being in the future.

Lewis (2016) reported that in every place of the world, tourism is more beneficial and important for the well-being and living standards of local people as well as the economy of countries. To study the research the result shows that these tourist activities and tourism growth influence the earning level and occurrence of growth. The most important is the accommodation, consumption, and hoteling for tourists to increase the GDP and GNP and capital of different countries. For study analysis, the author used a cross-section model over 109 countries where most of the earning depends upon tourism and tourist activities. The result of the study identified that starting the tourist activities support the wellbeing of local people and earning of residence as well as contribute to the economy of countries. Tourism influences the economy of countries in the long-standing development of the country. The result also focuses on the standard earning of respondents. Every study always focuses on the lifestyle, well-being, living standard, education level, skills, knowledge, and the information level of different countries' residences.

Altinay (2016) concluded that small-scale businesses influence the collective worth and identity of the specific areas for tourism. This specific identity of tourism creates the societal worth of the areas. The provision of these small-scale businesses and infrastructure accommodate tourism. For analysis, the author interviewed 20 respondents who provide important knowledge and information about the residence and their tourism activities. These assets allow youngsters to establish their small-scale businesses at the micro and macro level and local level. For the small-scale businesses, different policies and plans were organized to establish a business. These 'entrepreneurs' schemes and plans provide different ways towards the success of the young generation and their growth.

Stauvermann and Kumar (2016) examined the effect of international and national tourism and their contribution to the economy of these little islands. From the study, we analyzed that how tourism affects the income and costs of everything in the tourist areas. Every area having a silent competition with each other in tourism and making tourists spots to attract the tourists. Tourism mostly influences the underdeveloped areas and their living standard in a positive way. The results of that study showed more important consequences related to roles, regulations, and laws for tourism. These policies elaborated the service sector of tourist areas and the well-being of people and enhance the interest of tourists and the local residence in performing different activities.

Medina (2016) formulated different research on tourism contributes to surveys in countries. These surveys were carried out to eliminate or overcome poverty and help to establish different academic institutions regarding tourism. For these studies, a different discussion was held among groups, and students then target or identify an area where tourism occurs. When they got data after interviewing or through a telephonic interview, then they analyzed that data and apply suitable tests and get consequences to correlate the tourism and poverty elimination. According to that study from 1999 to July 2014, most of the publications and surveys carried out to answer the given problems and to eliminate them. The questions were the space, studies level, types and methods, and underdeveloped areas measures. Through these answers elimination in the poverty occurs and shows a great association between tourism and reduction in poverty. These researches showed more beneficial for the young generation in terms of researching on the tourism and tourist activities. The study also emphasizes the relationship between tourism, economy and gives more sufficient suggestions.

The study tested the following hypothesis;

H_0:   *There is no significant effect on income during the tourist season.*

H_1:   *There is a significant effect on income during the tourist season.*

RESEARCH METHODOLOGY

Universe of the Study

This study was conducted in Kaghan valley, situated in the locality of Mansehra. Four villages around the Lulusar- Dudipat National Park namely Basal, Damdama, Khora Dabukan, and Mulla Ki Basti. The Lulusar-Dudipat Lake is situated in the north, in KPK. These regions occupy 30,375 hectares of area, in district Mansehra, gone open the Lulusar-Dudipat National Park by the management of KPK in 2003; with an opinion to safeguard the water bodies along with its biodiversity. Lulusar is a mountainous area having a lake in Kaghan valley, Khyber-Pakhtunkhwa, Pakistan. The top of these mountains having a height of 3,410 m in altitude. Dudipat pond is situated in the northern regions of the valley of Kaghan at 4,175m height above sea level.

Sample Design

The way of choosing a sample design e.g. the choose data shows and identify all number of people is called sample design. Lulusar-Dudipat National Park was purposively chosen for the research analysis. The villages Basal, Damdama, Khora Dabukan, and Mulla Ki Basti was also chosen for research purpose. The respondents in Basal, Damdama, Khora Dabukan, and Mulla Ki Basti are 61, 59, 59, and 53 respectively. The technique for choosing the sample size is given below.

3.3   Proportional Allocation of Sampling Technique

The method used for proportional identification is the following (Cochran, 1977). The given formula is used for identification.

$$n_i = \frac{N_i}{N} \times n$$

Where,

N_i =   Number of respondents in every selected village.

i =   Number of selected areas in the research areas. (i =1, 2, 3)

n_i =   Number of sample respondents in each selected area.

n =   Total sample size

N   =   Total Number of respondents in the research area.

Table 3.1:   Sampling Distribution of Respondents in Selected Villages

Villages	Sum of Respondents	Sum of Sample Respondents
Basal	61	24
Damdama	59	24
Khora Dabukan	59	24
Mulla Ki Basti	53	21
Total	232	93

Source: Tourism Corporation Khyber Pakhtunkhwa, Peshawar

Data Collection

The Primary data for fulfilling objectives of the research consisted of the variables e.g. age, marital

status, education level, number of members in the family, employment type, earnings, and small scale entrepreneurship chances. Furthermore, the traveling effects on costs of foodstuff, transportation custodies, household charges, and elements upsetting traveling effects on the local residence thoughts to maximize the number of visitors and government steps for the uplifting of tourism conversed. An interview schedule had been planned according to the objectives of the research to gather the primary data for analyses. Sample respondents were interrogated separately in their native tongue i.e. Goojri, Hindhko, and Pashto to acquire the correct data. The secondary data, related to the socio-geological evidence, was developed from important material on the Khyber Pakhtunkhwa government sources.

Data Analysis

The obtained data was punched into SPSS after collecting it from chosen sample respondents. Then data were analyzed through descriptive statistics to know the socio-economic conditions. To find out the difference between on and off-season earning varies because of the leisure industry, a paired samples t-test (Journal of the Royal Statistical Society, 1982) was used to analyze the variance between on-tourist season and off-tourist season.

$$t = \frac{\bar{d}}{S_d / \sqrt{n}}$$

In the given formula:
t = Paired sample t-test
$\bar{d}$ = Sample difference before and after means
S_d = Standard deviation of the sampled differences
n = Sample size
Formula for $\bar{d}$ and S_d are given as:

$$\bar{d} = \sum d / n \qquad\qquad S_d = \frac{\sqrt{(d_1 - \bar{d})^2}}{n-1}$$

The mean difference between treatments, provided that the observations are obtained in pairs is compared using paired t-test. The normal distribution is assumed for the differences between the paired values (Journal of the Royal Statistical Society, 1982). Thus, in this study paired t-test is used to analyze the difference between the seasonal and off-seasonal income of the respondents.

Binary Logistic Regression Model

Binary logistic regression is the statistical technique used to find out the relationship between independent variables and the dependent variable. In this study, the dependent variable is categorical therefore we used Binary Logistic Regression (Greene, 2012).

To find out the effect among on and off-season income due to tourism, a binary logistic regression was used to analyze the effect in both seasons. The model is given as follows:

$$P_i = \frac{e^{(\beta_0 + \beta_1 X_i)}}{1 + e^{(\beta_0 + \beta_1 X_i)}}$$

$$\text{Log } (P_i) = \text{Log } \left(\frac{P_i}{1-P_i} \right) = \beta_{0 + \beta_1 X_i}$$

$$\text{Log}(P_i) = Y_i = \beta_o + \beta_1 \text{ income}$$

Where,

$Y_i =$ Income of the sample respondents in Rupees

$X_i = \begin{bmatrix} 1 \text{ on season} \\ 0 \text{ off season} \end{bmatrix}$

RESULTS AND DISCUSSION

This chapter deals with analysis, discussion, and interpretation of data collected from four selected villages Basal, Damdama, Khora Dabukan, and Mulla Ki Basti from Kaghan valley, district Mansehra. The data collected on the general characteristics and economic condition of the respondents is given as follows:

Table 4.23: Effect of Tourism on the Occupation of Sample Respondents in the Study Area

Mean of Occupation During Tourist Season	Mean of Occupation After Tourist Season	Difference	t-value	p-value
1.67	1.49	0.18	1.766	.081

Source: Field Survey, 2019

To analyze the effect of tourism on the occupation of the residents in the study area the means were compared through SPSS. The mean occupation during tourist season was 1.67 and the mean occupation after tourist season was 1.49, so the difference between before and after the mean was 0.18. While the t-value was 1.766 and the p-value was .081. The Null hypothesis was rejected at 0.05 level. The result was found highly significant which specifies that occupation chances were more during the tourist season as compared to after the tourist season.

Table 4.24: Effect of Tourism on Income and Utilization of Earned Income in the Study Area

Before Income Mean	After Income Mean	Difference	t-value	p-value
1.24	1.68	-0.44	-4.533	.000

Source: Field Survey, 2019

Table 4.24 indicates the effect of tourism on the earning of sample respondents during tourist season and their utilization of income. For that purpose, the before and after income means were compared which shows the difference between them. According to the table mean of earning of income was 1.24 and after utilizing the earned income the means was 1.68 so the difference was -0.44. Whereas the t-value was -4.533 and the p-value was .000. So the result was found highly significant which shows that the earning was more which is utilized in their basic needs but also they need conferring income to satisfy their needs till next season.

Table 4.25 Effect of Tourism on Prices of Livestock Products During the Tourist Season in the Study Area

Mean of the Impact of Tourism on Prices of Livestock Products During Tourist Season	Mean of the Impact of Tourism on Prices of Livestock Products After Tourist Season	Difference	t-value	p-value
1.35	1.72	-0.37	-5.245	0.000

Source: Field Survey, 2019

The results table 4.25 shows the effect of tourism on the prices of livestock products during tourist season and after tourist season in the study area. For that purpose, the before and after means were compared and shows the difference between them. According to the table mean the impact of tourism on the prices of livestock products during the tourist season was 1.35 and the mean impact of tourism on prices of livestock products after the tourist season was 1.72 so the difference was -0.37. While the t-value was -5.245 and the p-value was 0.000. So the result was found highly significant which shows that tourism play important role in the increase and decrease of prices in the study area.

Table 4.26 Effect of Tourism Industry on Community and the Number of Tourists Visiting the Study Area

Mean of the Role of Tourism Industry on Community (Before)	Mean of Number of Tourists Visiting (After)	Difference	t-value	p-value
1.86	1.30	0.56	-5.424	0.000

Source: Field Survey, 2019

The results in Table 4.26 show the effect of the number of tourists visiting and the role of the tourism industry in the community in the study area. For that reason, the before and after means were compared and show the difference between them. According to the table mean the role of the tourism industry in the community was 1.86 and the mean number of tourists visiting the study area was 1.30 so the difference was 0.56. While the t-value was -5.424 and the p-value was 0.000. So the result was found highly significant which shows that the tourism industry play important role in the development of communities in the study areas.

Table 4.27 Estimated Coefficients of Binary Logistic Regression Model for Tourism on Income of the Respondents between On and Off Tourist Seasons

Income	B	Sig.	Exp(β)
Monthly Income In Rupees	0.048	0.962	1.050
Intercept	-1488.666	0.962	0.600

Source: Field Survey, 2019   Pseudo $R^2 = 0.96$, P- Value $= 0.00$

Table 4.27 indicates the effect of tourism on the income of the respondents between on and off tourist seasons. The results of the model show that during on tourist season the number of tourists increases due to which income of the respondents has also increased by 0.048 as compared to the off-tourist season. The odd ratio of income of the respondents is 1.050, which means that there is a positive relationship between tourism and the income of the respondents. Jaafar and Rasoolimanesh et al. (2015) also founded that how respondents earn from these small-scale businesses and enhance their well-being, lifestyle, and living standard. They further found that residents need training-related entrepreneurs and need business-related help in terms of money to start their well-developed small-scale business.

CONCLUSION

The study concluded that tourism has a significant effect on the occupation of the residents in the study area. The mean occupation during tourist season was 1.67 and the mean occupation after tourist season was 1.49, so the difference between before and after the mean was 0.18. While the t-value was 1.766 and the p-value was 0.081. The result was found highly significant which specifies that occupation chances were more during the tourist season as compared to after the tourist season. The study also indicates that the earning was more which is utilized in their basic needs but also they need conferring income to satisfy their needs till next season. The mean of earning of income was 1.24 and after utilizing the earned income the means was 1.68 so the difference was -0.44. Whereas the t-value was -4.533 and the p-value was .000. So the result was found highly significant which shows that the earning was more which is utilized in their basic needs but also they need conferring income to satisfy their needs till next season. Tourism play important role in the increase and decrease of prices in the study area. The mean impact of tourism on prices of livestock products during the tourist season was 1.35 and the mean impact of tourism on prices of livestock products after tourist season was 1.72 so the difference was -0.37. While the t-value was -5.245 and the p-value was 0.000. So the result was found highly significant which shows that tourism play important role in the increase and decrease of prices in the study area. The study also concluded that the tourism industry play important role in the development of communities in the study areas. The mean role of the tourism industry in the community was 1.86 and the mean number of tourists visiting the study area was 1.30 so the difference was 0.56. While the t-value was -5.424 and the p-value was 0.000. So the result was found highly significant which shows that the tourism industry play important role in the development of communities in the study areas. The study further concluded that there is a positive relationship between tourism and the income of the respondents. It indicates the effect of tourism on the income of the respondents between on and off tourist seasons. The result shows that during the tourist season the number of tourists increases due to which income of the respondents has also increased by 0.048 as compared to the off-tourist season. The odd ratio of income of the respondents is 1.050, which means that there is a positive relationship between tourism and the income of the respondents. The tourism industry has boosted up small businesses and brought positive changes in the economic condition of the respondents in the study area.

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