

The Impact of Tourism Industry on Increasing Employment and Income in Daylam Port

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Abstract

The aim of this study was to analyze the impact of tourism industry on increasing employment and income in Daylam Port. Field data were used in this study and the hypotheses, based on statistical analysis, were studied and tested by SPSS software. The results indicated that the activities and employment in this industry along with the not very significant role of industry, services and agriculture had a significant economic impact on the port city and led to increase in income and employment, and cost in the city.

Keywords: tourism industry, economic development, employment, income

Introduction

Tourism is one of the oldest human activities appeared in different forms at different times. Although its size, level and reason were different from what can be seen today, but it has long been as a human activity and human interaction with the environment and its relationship. Tourism is an industry obtained a large portion of the world's economic activities. According to calculations, over one -third of total world trade in services has been in this industry (WTO, 2006). This industry has a significant role in the economic development in different regions and in addition to economic aspects, it can make important social and cultural changes in the destination and through distribution of income, employment and reducing poverty create social development, welfare and public health (Qadri, 2004). Tourism industry is turning to one of the most influential industry in the world now which has great impacts on economy and economic problems of the cities, regions, and countries such as employment, income, and the balance of payments (Ahmadi, 2009). Today, tourism is one of the most important industry in creating employment and income among the other industries in the world and many governments around the world have found the importance of tourism as a source of income and employment. So, many of them developed their relative relations to take advantage of such industry. At present, the development of multilateral and bilateral relations at the provincial, national or regional governments' level based on the agreement on strategic cooperation to develop tourism which aims to benefit from the advantages of tourism market (Laurel, Stephen, Smith, and Rob McCloskey, 2007). Accordingly, the World Tourism Organization in Manila Declaration introduced tourism a basic requirement in the Third Millennium (Samuel Seongseop Kima, Dallen Timothy, and Hag- Chin Han, 2007). Tourism encompasses a whole movement of capital, people, culture and the interaction between them leaving various affect in different geographic areas in which one of its most important affects can be the economic impact (Farhoudi, Shorcha and Saburi, 2010). Emphasis on economic issues in geographic areas for development and well-being of local residents, double the importance of tourism which requires macroeconomic policies at the global level of tourism that makes tourism a global issue (Sugiyarto, 2003). This industry can be considered as a factor in economic development for the communities and countries in which the economic situation is not desirable or facing with little income and employment and do not have sufficient resources to achieve development. Many countries consider this dynamic industry as the

main source of income, employment, infrastructure development and private sector development (Tayebi and et al., 2007).

One of the criteria discussed in this article is assessing the economic impact of tourism affected by the economy and business, including employment and income. The purpose of this paper is to assess the economic impact of business tourism in the port cities that Imam Khomeini port was chosen as a case study for this research.

Review of literature

Tourism has had main contribution on economic success and social mobility in cities in the last decades and for this reason, many cities in the world have taken steps towards the development and improvement of the industry (Albalate and Bell, 2008). The main benefits of tourism to a region or a country is the economic benefit. Tourism provides opportunities to create jobs and increase income at the local, municipal, national, and even international levels. The arrival of a visitor to a city or country, brings about expenses in the area that the other sections of the economy will also benefit from it (Rowe et al, 2002). In the World Tourism Organization, people who travel are divided into three groups according to their purposes: 1) traveling for leisure, and spend holidays ; 2) traveling for trade, commerce and professional works; 3) visiting friends and relatives, or for treatment or religious ceremony (Vaygy, 1997). In tourism industry, excursions said to those trips done to spend the holidays with a special purpose and are usually carried out for leisure at certain points in specific sites. Unlike leisure trips, business traveling is done in the economic centers. Pioneer in studies on the tourism industry such as Lea in 1988 and Sinclair in 1998, have insisted on the potentials and the role of this industry in promoting economic growth, creating jobs and increasing incomes (Seetanah, 2008). Many studies have shown that shopping is almost the most popular tourists' activity in the tourism destinations. Commercial shopping centers including stores selling food and drinks, crafts and toys shops, etc, in the parks and other places show the importance of shopping in tourism industry. In many cases, the income of retail locations is higher than the income from renting tourist places and even some tourist places varies their goods including t-shirts and hats, souvenirs, jewelry, dried animals, toys, postcards, books and memorabilia (Timothy, 2005). Supermarkets and food stores are one of the needs for tourists to buy. For many travelers, grocery stores, supermarkets and shopping centers are important because they can buy all their needs in fruit, vegetables, meat, bread and drinks rather than eating every meal in the restaurant (Hudman and Hawkins, 1989).

Theoretical foundation of the study

Employment

Nowadays, the tourism industry has been recognized as one of the most influential industries in the world that can have a big impact on the economic of the societies. World Travel and Tourism Council (WTTC) estimates shows that in 2000, Travel & Tourism created 4506 billion dollars in economic activity, and increased to 8454 billion dollars in 2010 (Sinai, 2003) . So, it should be said that tourism has high potentials to create economic activity every year and can meet the needs of a large number of labor imported to the market, since the arrival of tourists to an area, creates jobs that can attract a large number of active population. Knowing that this industry does not need high infrastructure investments, it should be acknowledged that this type of industries is functional and one of the most important ways to increase employment, the need for skilled labor is very low and attracts semi- skilled and unskilled workers are often to (Sabbagh Kirmani, 2001). Today's, tourism is the most productive industry in the world which constitutes approximately 13% of GDP. The industry is a sector, amounting to hundreds of millions of employees, most of human resources

(Bichrel, 2005) . With regard to the above statements economic effects of tourism on employment can be stated as follows:

- Tourism creates jobs directly in tourism and in the management of local resources;
- Tourism stimulates beneficial industries including hotels, motels, inns and other food services, transportation, crafts and passengers' guide services;
- Tourism brings about diversity to the local economy, especially in rural areas where employment in agriculture may be sporadic and inadequate. Tourism creates job opportunities through the companies and organizations give services to tourists (UNESCO, 1999). In total, of three types of employment of human resources are inseparable in the tourism industry:

a) Primary employment: These types of employment are created through activities which are done to provide preparations before or while the trip and to get more informed from potentials and benefits. Activities of tourist agencies are of this type.

b) Employment to meet the requirements: This type of employment that encompasses major parts of employment in the tourism industry is in activities that resolves the daily needs of tourists by the end of their trips directly. It has a wide range of jobs and activities included in transportation, hotel, restaurants, services, recreation, etc.

c) Indirect employment: This type of employment that is most associated with manufacturing activities is provided along with investments in the tourism industry. Activity in the construction of hotels and all of its activities, the production of transportation vehicles and tourism role in creating infrastructure are included in this type of employment (Zamani).

Income

Doing tourist activities in a very real sense and consistent with the principles and scientific criteria, practical implementation of international standards and policies of governments make income and create the real wealth (Rezvani, 2003). Because tourism can increase tourism incomes directly such as direct spending money by tourists to buy goods and services and in an indirect way through the course of the money that was spent by tourists in the host community. The tax income that can be indirectly acquired from tourists could be increased (UNESCO, 1999). More capital will be entered in the rural and urban areas by increasing the number of tourists leading to increase the people's income of the region. Increasing the employment and income in tourist destinations will also have other impacts which are different based on the places being visited. Increasing the employment and income in cities which are one of the places visited by tourists also affect the price of land and housing, because minor jobs will be created through the creation of main jobs and each of them is needs land to start their activities (Pourmohamadi, 2003).

Hazari and Sgro studied the relationship between tourism and capital accumulation and consumption and trade conditions of the countries in 1995. The results showed that tourism has a positive effect on consumption and capital accumulation in the case study countries. In another study, in 2005 Balaguer and Jorda investigated the relationship between economic growth and tourism in Spain using error correction models. They concluded that the development of the tourism industry, leading to increasing growth in the long time. Kim, et al (2006) found that the relationship between tourism and economic growth has been bilateral in Taiwan during the years 1971 to 2003. In 2008, Lee examined the relationship between tourism development and economic growth for OECD and non-OECD countries over the period 1990 to 2002. The results showed that there is a one-way causality relationship from tourism to economic growth in OECD and a two-way relationship in non-OECD. In 2005, Gunduz and Hatami using causality test studied the relationship between tourism and economic growth in Turkey during the years 1963 to 2002. The results also

show a one-way relationship of tourism to economic growth. In contrast to the above studies, Katircioglu, using the Johansen method studied the relationship between economic growth and tourism in Turkey in 2009. The study designed for the years 1960 to 2006, excluded the causality relationship from tourism industry to economic growth.

Methodology

The research is kind of case studies based on the subject, applied studies based on the content, descriptive studies based on the nature which explains and determines dependent and independent variables. the research approach was kind of positivism and relevant data was collected through field methods and documentary studies. Then, data were classified by using SPSS software and statistical inference on them and analyzed based on the test results and findings.

Statistical population, sample size and sampling method

In this study, given that the topic of this study is to determine business tourism effect on increasing employment and income in Daylam Port and analysis unit of commercial complexes and expert opinions of urban managers, and experts involved in urban issues, two sets of questionnaires were prepared. The first questionnaire was distributed in commercial complexes having 250 numbers. The second questionnaire was prepared and distributed among the experts in the relevant executive agencies, including municipalities, Cultural Heritage and Tourism, Government Housing and Urban Development, which includes 10 people in the city.

Research hypotheses

1. There is a significant relationship between developing business tourism and increasing the employment and income in Daylam Port.

1. There is a significant relationship between developing business tourism and increasing the costs and rents of the shops, shopping malls in Daylam Port.

Results

The number of employments in tourism

According to the following table, jobs created in commercial complexes in the city were over 2600 people in 2006, over 3000 people in 2007, over 3500 people in 2008, and over 2600 people in 2009. Also, the number of jobs created in accommodations and catering places were 70 people in 2006, 80 people in 2007, about 95 people in 2008, and 150 people in 2009. Job created in the unofficial sector especially increasing the numbe of pedlaries around commercial complexes were 180 people in 2006, were 70 people in 2006, 280 people in 2007, 450 people in 2008, and 730 people in 2009 in in Daylam Port.

Table 1: The job created by tourism in Daylam Port

Growth rate %				88	87	86	85	Year
86-85	87-86	88-87	88-89					job
25%	35%	25%	22%	5300	3500	3000	2600	commercial complexes
14.35%	24.45%	15.2%	6.23%	150	95	80	70	accommodations and catering places
58%	63%	44%	58%	730	450	280	180	pedlaries
27	38	25	22	6180	4045	3360	2850	total

Income created by tourism industry in Daylam Port

Due to the nature of tourism in Daylam Port and based on the information gathered from the questionnaires related to commercial complexes, and hotels in the city, it can be said that most tourists go to Daylam Port in order to buy or amuse themselves in their leisure time. According to the information obtained from commercial complexes, accommodations and cartig places, and the

results presented in Table 2, it is completely clear that shopping is the main motivation of passengers traveling to Daylam Port. Thus, according to this information, it turns out that the growth of informal trade to the port is the reason for increasing business travel to the city from different parts of the country and increasing the income of business tourism. According to the estimation of the cultural heritage and tourism administration in Daylam Port, income created by tourism industry in 2008 was about 20 billion Tomans and went up to 30 billion Tomans in the first six months of 2007 which involved the costs like buying goods and commodities, food and accommodation, expenses and other costs of travel (table 2).

Table 2: Motivation of passengers traveling to Daylam Port

81-100 %	61-80 %	41-60%	20-41 %	Less than 20%	Question
120	92	30	12	7	What percentage of your customers are the passengers?

The price of shops in commercial complexes, in the years 2007 to 2009 are shown in table 3. According to the table, it is seen that the price of shops has had a high growth rate. Proximity to the commercial center of the city has been effective in land prices in the city. And the highest price of the land was in areas near commercial center.

Table 3: The price of shops in commercial complexes, in the years 2007 to 2009

Growth rate %			88	87	86	year
88-86	88-87	87-86				
180%	160%	66%	130	50	30	Prices in million Tomans

ANOVA analysis shows that there is a positive and significant relationship or correlation between the increase in the number of business centers and tourist infrastructure in Daylam Port.

Table 4: ANOVA analysis of infrastructure of business centers

Sig.	F	Mean square	Degrees of freedom	Sum of squares	Description
0.001	25.675	82.357	2	82.357	Regression
-	-	2.643	8	27.643	remaining
-	-	-	10	110	Total

Table 5: ANOVA analysis of the number of the business centers

Sig.	F	Mean square	Degrees of freedom	Sum of squares	Description
0.000	17.568	1365.491	5	1365.491	Regression
-	-	78.716	32	2764.509	remaining
-	-	-	37	4130	Total

The result of Analysis of the first questionnaire by binomial distribution test

These questionnaires were distributed in commercial complexes including 250 numbers in the city and aimed to evaluate the effects of tourism on increasing the employment, income, prices and shops and commercial complexes rent. It was attempted to consider the attitude of each of the respondents by the questionnaires. All hypotheses were confirmed by supposed confidence of 95% in the test. It means that according to the point of views of the people working in the business centers, tourism had influenced the economic variables and according to the data and information of the past that were studied, tourism can be considered as one of the factors affecting the economic development of Daylam Port (Table 6).

Table 6: The result of Analysis of the first questionnaire by binomial distribution test

Test error rate 0.05				Number of the theory
Test result	Sig.	Test Ratio	Observed Ratio	
Confirmed	0.000	0.6	1	Increaseing the employment and income
Confirmed	0.000	0.6	1	Rising prices and commercial complexes rent

The result of Analysis of the second questionnaire by the sign test

In this test which studies the experts' responses, all hypotheses were confirmed by confidence level of 95% which means the business tourism from the point of views of experts on urban issues and tourism was one factor affecting the economic development of the city increasing income, employment, prices and commercial complexes rents in the city (Table 7).

Table 7: The result of Analysis of the second questionnaire by the sign test

Test error rate is 0.05						Number of the theory
Test result	Sig.	Calculated Z	Number of group	Negative Difference	Positive Difference	
Confirmed	0.002	-2.836	10	0	10	Increaseing the employment and income
Confirmed	0.002	-2.836	10	0	10	Rising prices and commercial complexes rent

Conclusion

Tourism is a dynamic industry seen by governments and planners in different countries. According to information obtained from the analysis and hypothesis testing, it can be concluded that tourism with an emphasis on cross-border transactions and trade on the markets in the city have caused the growth of economic variables in Daylam Port City in recent years. According to the findings, there is a significant correlation between businesses tourism and increasing the employment and incomes and rising prices and commercial complexes rents. Furthermore, analysis of variance of the survey data confirmed the correlation between tourism and economic changes in Daylam Port. The statistical tests performed in this study also showed significant correlation between the dependent variables affecting income, employment, land prices, commercial complexes rents. Therefore, based on these results and previous data, tourism has impact on economic, income, employment, land prices, (the independent variable) and business tourism. For this reason, this type of tourism that is based on the people's purchasing and commercial activities in Daylam Port has an effective role in economic changes.

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