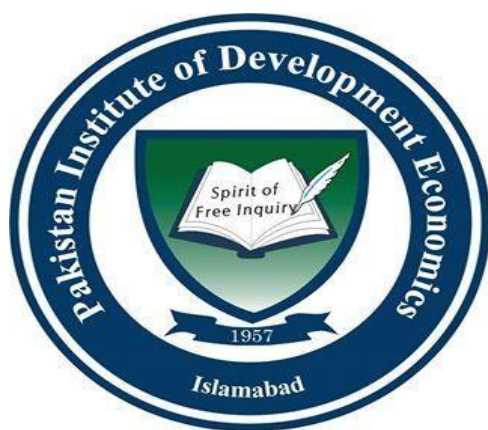


**NEXUS BETWEEN ENTREPRENEURIAL
ACTIVITIES AND SUSTAINABLE TOURISM
DEVELOPMENT: A CASE OF GILGIT
BALTISTAN**



By

Sajjad Hussain

Registration Number: PIDE2018FMPHILEAF12

Supervisor

Dr. Ahsan Ul Haq Satti

Department of Business Studies

Pakistan Institute of Development Economics Islamabad.

2021



CERTIFICATE

This is to certify that this thesis entitled “**Nexus Between Entrepreneurial Activities and Sustainable Tourism Development: A Case of Gilgit Baltistan**” submitted by **Mr. Sajjad Hussain** is accepted in its present form by the Department of Business Studies, Pakistan Institute of Development Economics (PIDE) Islamabad as satisfying the requirements for partial fulfillment of the Degree of Master of Philosophy in Economics and Finance.

Supervisor:

Dr. Ahsan ul Haq
Assistant Professor
PIDE, Islamabad.

External Examiner:

Dr. Sumayya Fatima Chughtai
Assistant Professor,
International Islamic University, Islamabad

Head, Department of Business Studies

Dr. Hassan Rasool
Assistant Professor,
PIDE, Islamabad.

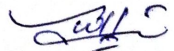
Date of Examination: (Friday) June 11, 2021

Author's Declaration

I Sajjad Hussain hereby state that my MPhil thesis titled Nexus Between Entrepreneurial Activities Sustainable Tourism Development: A case of Gilgit Baltistan is my own work and has not been submitted previously by me for taking any degree from Pakistan Institute of Development Economics or anywhere else in the country/world.

At any time if my statement is found to be incorrect even after my Graduation the university has the right to withdraw my MPhil degree.

Date: 09/23/2021


Signature of student

Sajjad Hussain
Name of student

Dedication

I wholeheartedly dedicate this thesis to my family, who have been my source of inspiration and always supported me both morally and financially during my good and bad times. To my parents, brothers, sisters, uncles, friends and classmates who extended their assistance for me and that encouraged me to complete this study. Thank you all of your support along the way.

ACKNOWLEDGMENTS

First and foremost, I would like to express my deepest gratitude to Almighty Allah for His countless blessings that led me to complete my courses and prepare thesis within the scheduled time.

I would like to thank my Supervisor, Dr. Ahsan Ul Haq Satti, for his encouragement and guidance from the beginning of the study to the final level enabled me to complete it. Without his guidance and persistent help this study would not have been completed.

In addition, I am also thankful to Dr. Mahmood Khalid for his kind suggestions, guidance and support to better understand the subject matter. Thanks to all.

ABSTRACT

The purpose of this study is to examine the relationship between the entrepreneurship and sustainable tourism development, the role and perspective of tourism stakeholders i.e. entrepreneurs, local community, tourists and local authorities. This study found that enhancement of entrepreneurial culture can be a dynamic concept for a deeper comprehension of sustainable tourism development while paving the way for local economic development. This study also highlights the significance of entrepreneurial activities in developing a meaningful experience of tourism - an experience that is essential for tourist satisfaction. The study found a lack of strategic collaboration between tourism industry and major stakeholders and suggested the need to revitalize the cooperative practices important for sustainable tourism development in Gilgit Baltistan region.

To measure the sustainability of tourism in Gilgit Baltistan, the report employs social, cultural and economic dimensions evaluated on five-point likert scale to convert different indicators into relatively measurable scale. The report also uses PCA analysis in order to measure the satisfaction level of stakeholder from tourism growth, development and services. A cross-sectional data for this study was collected from three districts of GB namely: Gilgit, Hunza and Nagar. Based on purposive sampling method our target audience were owners of accommodation establishment, local community, tourists and the local authorities. The major limiting factors for business owners were found to be the lack of skilled labour, lack of knowledge, lack of available funds and seasonality of the tourism industry. While, the lack of tourism infrastructure, accessibility of destinations, low standards of customer services, unregulated growth, non-involvement of local community in tourism planning and environmental concerns due to tourism activities were found to be the serious concerns for sustainability.

Hence the study concluded that diversion of goals among major stakeholders has resulted into an unbalanced economic growth and unequitable employment distribution in the region. The progression of this trend can cause tourism industry to become more like a panacea for all social and economic aspects in the region. Therefore, policies in line with sustainable practices and the sense of cooperative attitude among the major stakeholders of the industry will bring off the objectives of sustainable tourism development in the region.

KEY WORDS: Tourism, Tourism development, Entrepreneurship, Sustainable development.

Table of Contents

ABSTRACT	v
LIST OF FIGURES	ix
LIST OF TABLES	x
LIST OF ABBREVIATIONS	xi
CHAPTER 1	1
INTRODUCTION	1
1.1 Background	1
1.2 Research problem/questions	4
1.3 Significance of the study	5
1.4 Objectives of the study	6
1.5 Research Plan	6
CHAPTER 2	7
LITERATURE REVIEW	7
2.1 Background	7
2.2 Definition of sustainable tourism development	10
2.3 Theoretical perspective of sustainable tourism development	11
2.4 Entrepreneurship factor in tourism development	13
2.5 Research Gap	17
CHAPTER 3	18
DATA AND METHODOLOGY	18
3.1 Dataset	18
3.2 Study area	18
3.3 Sample size	21
3.4 Questionnaire Design	22

3.5 Methodology	22
CHAPTER 4.....	26
RESULTS AND DISCISSION	26
4.1.1 Tourists demographics and trip characteristics	26
4.1.2 Tourists perception and experience	31
4.1.3 Tourists satisfaction of destination features and services	32
4.2.1 Descriptive profile of tourism businesses	34
4.2.2 Type and locality of businesses.....	37
4.2.3 Size and capacity of tourism business.....	37
4.2.4 Development pattern of tourism businesses.....	38
4.2.5 Additional costs to the business	40
4.2.6 Seasonality.....	42
4.2.7 Demand for services.....	43
4.2.8 Impact of current economic situation on businesses.....	44
4.2.9 Problems faced by tourism business	47
4.3.1 Local community perception of tourism development.....	49
4.4.1 Local authorities perception of tourism development.....	55
CHAPTER 5.....	60
CONCLUSION AND RECOMMENDATIONS.....	60
LIMITATIONS	68
REFERENCES.....	69
APPENDIX A	76
Map of Gilgit Baltistan.....	76
APPENDIX B.....	77
Questionnaires	77

B.1 Local authorities questionnaire.....	77
B.2 Questionnaire for tourism businesses	79
B.3 Questionnaires for tourists	83
A.4 Questionnaire for local community	87

LIST OF FIGURES

Figure 3. 1: Yearly total arrivals by domestic and foreign tourists during 2007-2017.	20
Figure 3. 2: Kaiser-Meyer-Olkin test	24
Figure 4. 1: Length of stay by type of tourists	29
Figure 4. 2: Most famous places for tourists	30
Figure 4. 3: Tourists satisfaction of services	33
Figure 4. 4: Tourists satisfaction of destination features.....	34
Figure 4. 5: Type of businesses and locality	37
Figure 4. 6: Development pattern of tourism businesses in Gilgit Baltistan.....	39
Figure 4. 7: Business operation	42
Figure 4. 8: Business period.....	43
Figure 4. 9: Excess demand during peak months of business	44
Figure 4. 10: Economic impact on businesses	45
Figure 4. 11: Action taken in response to current economic condition.....	45
Figure 4. 12: Perceived change in consumption behavior of guests	46
Figure 4. 13: Local perception of tourists' purpose of visits.....	50
Figure 4. 14: Community perception about impact of tourism development	54
Figure 4. 15: Authorities view to promote local economy.....	58

LIST OF TABLES

Table 3. 1: Areas selected for data collection	21
Table 4. 1: Tourist demographics and trip characteristics.....	28
Table 4. 2: Tourist perception of tourism development	32
Table 4. 3: Descriptive profile of tourism businesses	36
Table 4. 4: Size of accommodation businesses	38
Table 4. 5: Major problems faced by business	47
Table 4. 6: Local community perception of tourism development	53
Table 4. 7: Authorities' perception of tourism development	56
Table 4. 8: Composition of businesses	57

LIST OF ABBREVIATIONS

AEs:	Accommodation establishments
B&B's:	Bread and breakfast establishment
CAD:	Current account deficit
CPEC:	China Pakistan Economic Corridor
GB:	Gilgit Baltistan
GDP:	Gross domestic product
KKH:	Karakoram Highway
NGOs:	Non-governmental organizations
OECD:	Organization for Economic Co-operation and Development
SMEs:	Small and medium enterprises
UNWTO:	United Nation World Tourism Organization
WTTC:	World Travel and Tourism Competitiveness Index
OLS:	Ordinary Least Squares
GLS:	Generalized Least Squares
AR:	Auto Regressive
PCA:	Principal Component Analysis
PPP:	Purchasing power parity
H&T:	Hospitality and Tourism
KMO:	Kaiser-Meyer-Olkin Measure of Sampling Adequacy

CHAPTER 1

INTRODUCTION

1.1 Background

Tourism and travel industry is among the largest and fastest growing global service industry. From late 1960s tourism industry has been recognized as an important sector of economy (Mitchell, 1992). The industry is emerging as a major source for stimulating growth through its backward and forward linkages with other sectors of the economy (Kumar et al., 2019). Its macroeconomic contributions has gain widespread acceptance among researchers and academia. It has been confirmed by various studies that economic growth and tourism development have profound relationship. It directly contributes in creation of employment, drives exports and is a good source of foreign exchange earnings (Khalil et al., 2007; Malik et al., 2010; Ohlan, 2017). Tourism industry has facilitated the entrepreneurs by improving their standard of life through employment opportunities. In the context of tourism, entrepreneurship is considered as an effective way for achieving global and regional development (Echtner, 1995). Similarly, it can be an effective way for sustainable and pro-poor economic growth in developing countries as highlighted by (Christie et al., 2001).

From an entrepreneurial perspective tourism provides a particular approach in identifying opportunities and to convert them into a consumable tourism product (Ateljevic, 2017). Though, this process demands a coordinated strategy from all the stakeholders in order to achieve economic objectives while considering the social, cultural and environmental values. There exists a strong causal relationship between tourism industry and entrepreneurship. Over the last decade tourism industry has shown tremendous growth and is expected to be aggressive as well as competitive in coming future. According to the recent statistics released by World Tourism Barometer (UNWTO, 2019), the industry recorded higher growth rate than the growth rate of global economy. Its contribution in total global

exports were \$1.7 trillion and also provided 319 million jobs to the global economy, making 10% of the total global employment and remained the third largest service industry after petro- chemical industries (WTTC, 2019). The industry's recent growth pattern has been driven by favorable global economic condition, technological advancement, affordable travel costs and improved visa facilitation services (UNWTO, 2019). Similarly, Pakistan is also making gradual improvements in terms of doing businesses through its improvements in business regulations (World Bank, 2020). Which is beneficial for entrepreneurial activities as well as tourism industry. In the context of tourism, entrepreneurship is considered as an effective way for achieving global and regional development (Echtner, 1995). Tourism entrepreneurs are mainly characterized by their type of work concerned with production and management of tourism products (Khanka, 1999). In the words of Long, (1983) entrepreneurship is the process of making something new or different, creating wealth for oneself and bringing value to society. Within a tourism industry it is considered as major driver for solving socio-economic issues of communities (Kokkranikal et al., 2002). Across the developing economies of the world, it has been recognized that the promotion of small businesses can bring off the objectives of higher income, investment and more jobs for local people (Dahles, 2002; Roe et al, 2004; Sharpley, 2008). In addition it can play a vital role for poverty alleviation and sustainable development of local economy (Goodwin, 2009; Ashley, 2002).

Sustainable development is an important, yet normative concept in its broader context (Hettne, B, 1993; Hall, 2010). In the context of tourism defined by Eber (1992: 3), sustainability of the industry and associated infrastructure is that: it respects the local customs and lifestyle; both operates within their limits of natural capacities without aiding damage to the resources for current and future regeneration. Thus, enabling the environment for equitable sharing of economic benefits among local people. Yet, there is growing concern related to participatory approach in developing countries under the prevailing socio-economic and environmental problems. The ongoing debates around the developing world for

sustainable tourism development implies that local development is necessary along with maximizing linkages for tourism entrepreneurial development to achieve the desired level of economy (Ashley et al., 2000, 2001)

Pakistan has great potential for all sorts of tourism activities, since the country is blessed with exquisite landscape and scenic spots including the tallest mountains, green valley's and magnificent deserts stretched at several miles from south to north across the country (Ahmed et al., 2017; Khalil et al., 2007). Especially the northern and western part of the country is famous in this regard. That is the reason most of the economic activities in these areas are directly or indirectly associated with tourism industry (Ahmed et al., 2017). Since the country is full of natural resources and environment along with diversity of culture, it is expecting large inflow of tourists from all over the world in near future. The British travel magazine CN Traveller has placed Pakistan at the top of their list for best holiday destination in 2020. Similarly, American business magazine Forbes ranked Pakistan among top ten coolest places to visit for 2019. Thus, the country is emerging as a favourite and rapidly growing destination for international tourism in South Asia. That is why foreign tourists inflow is increasing day by day and it has achieved a record growth in last five years. The importance of tourism industry in the context of Pakistan is also evident from its increasing share in country's GDP. According to World Economic Forum in 2014 T&T industry of Pakistan directly contributed 2.3% towards its GDP. While the forums report in 2019 indicates that the industry contributed 7.1% towards the economy (WTTC, 2019). The gradual improvement in tourism industry is favorable for balance of payment issues and foreign trade deficits faced by developing countries like Pakistan (Celik et al., 2013). Although, tourism industry in Pakistan have gone through with many natural, economic and political crises in the past decade. The security situation became uncertain after 9/11's incident especially war against terrorism (Ahmed et al., 2016). Which severely damaged the infrastructure and adversely affected the development process while imposing heavy burden on economy of Pakistan (Ali, 2010). During this

period and earthquake on 2005 also affected the industry. Among other reasons for slow growth of tourism sector in Pakistan is the lack of skilled labour (Alasttal, 2017). Though, the lack of skilled labour is a common problem faced by tourism sector all over the world (Richardson, 2009). Since, these shocks are transitory in nature as pointed out by (Baig et al., 2020; Narayan, 2008) and hence sustainable growth can be achieved in the long run.

Despite the great potential and opportunities for tourism activities in the country, WTO's recent report on global Travel and Tourism Competitiveness reveals the fact that performance of tourism industry in Pakistan is quite low as compared to other Asian countries. Out of 140 economies the countries has been ranked at 121 in terms of enabling policies and factors for sustainable tourism development (TTCI, 2019). Thus, the prime purpose of this study is to explore the key impediments in the way of sustainable tourism of Pakistan in general and Gilgit Baltistan in particular. The major focus of our study is to explore the relationship between the sustainable tourism industry and entrepreneurship in accommodation sector of Gilgit Baltistan region.

1.2 Research problem/questions

This study is design to develop a comprehensive knowledge about entrepreneurship in rural tourism and also to identify ways for their enhancement, which can contribute to sustainable tourism development in these tourism destinations. Therefore, the following research questions will be addressed specifically:

Q1: How to enhance the entrepreneurial activities in tourism industry of Gilgit Baltistan?

Q2: Does tourism industry of Gilgit Baltistan follows the sustainable development pattern?

Q3: What strategies are required to attain a sustainable tourism growth in GB region?

In order to address the above research questions, it is important to identify current entrepreneurial culture and environment with the prevailing problems and opportunities for entrepreneurial activities in

Gilgit Baltistan region. Similarly, it is equally important to find and suggest strategies that are required to stimulate these activities.

1.3 Significance of the study

Many studies have been conducted related to tourism industry in Pakistan. Majority of these studies has analyzed the industry from the perspective of its contributions in economic growth and development. Similarly, a large number of these studies mainly focus on identifying the challenges and opportunities in tourism industry of Pakistan. However, the sustainability of tourism industry is an important yet, less discussed problem in Pakistan. While the significance of sustainable tourism is evident from the global trend of tourism research on this subject matter. In the same manner, studies has identified and proved that entrepreneurship is the key factor of sustainable tourism growth. Therefore, it was imperative to understand the nature of entrepreneurial culture in the region like Gilgit Baltistan which is famous for tourism and recreational activities. Moreover, there were no such studies available that explicitly discuss the relationship between local entrepreneurship and sustainability of tourism sector in case of Pakistan. Similarly, it was also important to develop basic data and knowledge about tourism industry and identify benefits and challenges that it offers to its major stakeholders in Gilgit Baltistan. This study primarily focused on accommodation sector and has tried to figure out the key aspects of its development, which can play a significant role in sustainable tourism and community development. In addition, this study has explored the financial problems faced by the owners of tourism businesses and suggested possible financing modalities. Similarly this study has attempted to figure out any existing space between the two major stakeholders of tourism industry i.e. businesses and tourists regarding tourism development in GB region. Thus, this research suggests that stimulating entrepreneurship in hospitality and tourism would aid in solving the issue of sustainable tourism

industry. Finally, this study is expected to be helpful for tourism businesses, researchers and policy makers for future sustainable tourism planning, management and development.

1.4 Objectives of the study

Following are the main objectives of our study:

- To highlight the importance of entrepreneurship in sustainability of tourism industry.
- To develop the basic data and information as there is lack of studies on this subject.
- To analyse the pattern of tourism growth in Gilgit Baltistan region.
- To examine the role and perspective of tourism entrepreneurs, tourists and local community regarding tourism development.
- To highlight the major issues affecting tourism businesses.
- To formulate the policy recommendation for sustainable tourism development.

1.5 Research Plan

The first section of the research discusses the background and introduction. The second section explores the existing literature on the topic. Third section discusses the data and methodology. Fourth section will present the results of collected data and discussion. The fifth section records the discussion. The final section presents the limitations and recommendations for future research and planning. The data for this study was collected after the end of summer season from September 2020 to October 2020 and was successfully completed within this time period. Initially we were intended to collect the data during the summer season as this time period is considered to be the peak period in terms of tourism activity in the research area however, due to COVID-19 health pandemic and lockdowns most of the tourism destinations were closed therefore, we started collection of data once travel restrictions started to decline in the region.

CHAPTER 2

LITERATURE REVIEW

2.1 Background

Tourism industry is recognized as major source for economic growth because of its backward and forward linkages with other sectors of the economy. As pointed out by Ohlan (2017) in his study that in the long run as well as in short run there exist a strong relationship between inbound tourism and economic growth. In their analysis they use granger causality test to identify the long run relationship from tourism to economic growth in India. The findings of this research revealed that economic growth, financial and tourism development are interrelated. They found that both in long-run and short-run inbound tourism encouraged India's economic growth pattern. Research reveals that India's GDP grows 0.2 percent on average with a 1 percent rise in foreign tourism receipts. Similarly, the analysis done by Martin et al., (2004) for Latin American countries using the panel data approach and Arellano- Bond estimation method identifies that growth in tourism sector is suitable for low income countries but not necessarily for high income countries. The result found by using GLS AR (1) model revealed that low income countries require adequate infrastructure, education and development to attract tourists. While the medium income countries requires development of high level of social services like health and high levels of per capita GDP. Likewise, many studies confirm the strong relationship between tourism industry and economic growth and provide support for tourism-led economic growth e.g. (Aslan et al., 2016) for Turkey, (Brida et al., 2009) for Chile, (Carera et al., 2008) for Mexico, (Phiri et al., 2016) for South Africa and Lee et al., (2008) for OECD and non OECD countries. A cross country analysis of growth performance in 14 tourism countries out of 141 countries has been done by (Brau et al., 2003) using standard OLS cross country regression. In their analysis they found that tourism countries are significantly growing faster as compared to the other economies. Moreover, the authors argued that this

growth pattern is not just caused by traditional development rather tourism specializations appears to be the independent determinant. They also found that differences in exchange rate and PPP among these economies are not relevant for tourism development. While there is growing empirical evidence for the tourism-led development hypothesis, (Khan et al., 2016; Khalil et al., 2007; Malik et al., 2010; Goodwin, 2009; Tauson, 1999) conflicting estimates on the actual magnitude of the positive impact of tourism development on growth make it difficult to discern a conventional wisdom, particularly when broader indicators of economic development are taken into account. Similarly, (Malik et al., 2010; Khalil et al., 2007) also carried out such analysis in case of Pakistan and found that there is a unidirectional relationship between number of tourists' inflow and GDP growth. According to the study conducted by (Malik et al., 2010) the reduction in current account deficit in case of Pakistan is due to earnings from foreign tourists arrival which was the main channel of GDP growth. To test this relationship, they used data of GDP, CAD and tourists arrival from 1972-2007.

The distinct correlation between the 'economic growth' arising from tourism activity and the impact of the latter on a wider 'economic development' model based on several socio-cultural factors (including life expectancy, infant mortality rate, adult literacy rate, etc.) has been extensively studied in literature. However, (Vita et al., 2016) argue that tourism development does not contribute to GDP growth when there is low economic growth, but its effects are significant for high income countries. The research found that higher level of development of tourism industry negatively affects the growth pattern of the higher income country, which is consistent with the law of diminishing marginal returns. Khan et al., (2016) estimated that infrastructure is one of tourists' essential components and tourism is highly related to infrastructure. These authors found that 1 percent rise in infrastructure contributes 1.76 percent upturn to tourism industry. The study conducted by Galant et al., (2015) explores the fact that tourism businesses consider tourists to be one of the most important purchaser. In this article, regression analysis is used to explain the impact of the satisfaction of visitors on their daily expenditure, which

means that satisfied tourists spend more money on the desired purpose, which in turn contributes to improved business income. The research explores how the happiness of visitors indirectly impacts the efficiency of businesses. Mitchell et al., (2007) states that "there are net benefits to economy when pro-poor tourism initiatives are taken to enable small entrepreneurs gain market access and participate at micro level".

Despite the existence of general consensus on the role of tourism industry in economic development, a number of tourism researcher lay particular emphasis on the issues arise by tourism development. These negative impacts are generally caused by the over dependent of local economies on tourism sector simultaneously becomes more vulnerable to demand side shocks. That is the reason literature has subsequently addressed such problems in research arena. For instance, (Safaeva et al., 2019; Sharpley et al., 2015; Bankole, 2002; Taylor, 1973) discussed the socio-economic impacts of foreign and local tourism on the local values and dignity of the people. They believe that induced effects of tourism: inflation, seasonal unemployment, racism and limited channels for transmission of benefits into local economy causes to reduce the real value of tourism trade. Such problems may arise because of bad publicity, tourist reduction and overbuilding of tourism infrastructure due to the lack of cooperation among host communities (Eccles, 1996). Sutawa, (2012) states that tourism development has affected the culture and damaged the agriculture sector of Indonesia due to subsequent increase in land usage for development purposes. (Briassoulis et al., 2013; McKercher, 1993) has deeply discussed the impact of tourism on environment. These authors believe that there exists a two-way interaction between tourism and environment. On one side, environment provides required resources for the production of touristic products: natural or manmade attractions for tourists to relax, enjoy and leisure. On the other hand, unwanted by-products produced at tourism destinations are harmful and can modify natural environment at these places. To mitigate these negative implications towards environment (Weaver, 2011) have suggested some pathways for sustainable tourism.

Among other problems lack of financial services in local areas are the major constraints in development process. Ardahaey (2011) analyzed increase in prices of commodities which cause local people experience financial difficulties that lead to discernment of financial resources. Tourism as a business requires a healthy financial system (World Bank 2001a). The local people can't acquire sufficient funds to develop tourism infrastructures because of limited capital resources (Radovic et al., 2018). Samimi et al., (2011) explored the interconnection and long-run relation between monetary development and tourism development using P-VAR approach taking the data from 1995-2009. The results show that there is a mutual causality and a positive long-run correlation between financial growth and tourism development. Thus, under imperfect market conditions expatriates (non-local people) or elites of the locality will invest in tourism businesses to acquire the generous benefits of the industry assessing the prevailing conditions for higher earnings (Radovic et al., 2018). Consequently, the unequal distribution of wealth and opportunities will widen the gap between poor and rich people (Tauson, 1998), which is against the guidelines of sustainable tourism development.

2.2 Definition of sustainable tourism development

Sustainable development has been considered as a normative concept in its broader form. Over the last three four decades, the concept has gained widespread attention amongst the tourism theorists and academia. Most of the researchers argue that there can be no single definition of sustainable development. For example, according to Ahn, Lee and Shafer (2002), sustainable tourism development is defined as all parties engaged developing harmoniously, reaching desired quality of life, and maintaining the status quo. The authors believe that one can suggest pathways for development in a particular context (Harrison, 1988, 1999; Goulet, D, 1995). (Miltin, D, 1992) defines this concept in two components: "Definition of development" and "Principles or conditions for sustainability". And (Hettne, B, 1993) in his words states that the preferable and useful approach is to provide basic

principles of development derived from multiple definitions of it, rather giving a single definition for development. The second definition explains sustainable tourism as the counterpart of mass tourism.

In the context of tourism defined by Eber (1992: 3), sustainability of the industry and associated infrastructure is that: it respects the local customs and lifestyle; both operates within their limits of natural capacities without aiding damage to the resources for current and future regeneration, production and enabling the environment for equitable sharing of economic benefits among local people and communities in the host areas. Likewise, Bramwell et al., (1996a: 10-11) defines the concept as "A responsible tourism that respects the environment especially in saturated areas". Tepelus (2005) and Budeanu (2005) argue that sustainable tourism minimizes tourism-related issues by promoting small-scale tourism. While most of the negative effects of tourism are generated by mass tourism. Imperfect market conditions and unequal economic policies of governments has created more difficult for local communities and limited them to enter into the tourism business Tosan (1998).

2.3 Theoretical perspective of sustainable tourism development

The word "tourist" is defined by the United Nations organization (UNWTO, 2019) as "a person who travels beyond his or her regular residence for a duration of less than a year, for any principal reason except to be employed by the resident company in the country or place visited." In line with this definition, tourism can be understood as the movement of people for the purpose of enjoyment, amusement, healing, and the progression of cultural knowledge. According to the UNWTO, identifying consumer needs and reaching out to potential consumers with a full customized offer and information is the key to effective tourism performance (Gorica, K & Vela, F., 2007). The tourism product is a collection of interdependent elements, which emerge as independent goods and complement one another to produce a diverse product that can satisfy the demands of tourists. Thus, the key issue for the tourism stakeholders is to respond to the challenge of developing relevant products and services in

accordance with the guidelines of sustainable development. The growth of tourism over the course of the 20th century increased awareness among tourism workers and management, as well as tourists, of the importance of ensuring sustainable tourism development. Since then, in less than 25 years, understanding of the relevance of sustainable development for tourism has grown to the point that sustainable development has been referred to as one of the “parental paradigm” of sustainable tourism (Kimura, H. 2011).

Sustainability principles, according to Kruk, E., et al. (2007), refer to the environmental, cultural, and socio-economic aspects of tourism development, sustainable tourism should do the following:

- Make the best use of environmental resources, which are critical to tourism development, by preserving vital ecological processes and contributing to the conservation of natural resources and biodiversity.
- Respect host communities' sociocultural authenticity, preserve their culture and heritage, while adding value to intercultural acceptance and compassion.

It is critical to emphasize the importance of the state's participation in tourism development: To assist firms to develop, the state sets environment for enterprises, preferably so that companies and the state develop concurrently. According to Fanell, D et al., (2003) tourism demands a truly multidisciplinary ethical theory that focuses on the influence of values and their relationship with the natural environment. However, according to Peter F. Keller (2014), only companies can actually create wealth, while the state acts to stimulate innovation and can only provide assistance for adaptation of structural changes. Finally, it is important to understand that sustainable tourism development methods must be used in order to optimize the positive effects of tourism.

According to Kreag (2001), the objective of tourism development in a certain community or region is to maximize its positive impacts, while equally reducing the potential negative impacts. Primarily, when it comes to developing a sustainable strategy in the for tourism sector, it is important

to identify the possible aspects. Tourism researchers have identified a number of these impacts. Listing the impacts that may be expected on the location that is within the boundary of the planned strategy and categorizing them (or at least differentiating between positive and negative impacts) is the first step in this regard. All proposed plans need then to be assessed in terms of these effects and the most viable strategic choice needs to be done.

2.4 Entrepreneurship factor in tourism development

Richard Cantillon, introduced the idea of entrepreneurship for the first time in 1755, used the word entrepreneurship by integrating landowners, merchants and workers to form three separate groups (Hébert, 1998). During that time period Kirzner advocated entrepreneurs as arbitrators; Knight insisted that uncertainty should be faced by entrepreneurs (Parker, 2004). In the context of tourism, entrepreneurship is considered as the successful way to attain global and regional growth (Echtner, 1995). In addition, tourism entrepreneurs are characterized by their type of role in the development and management of touristic products (Khanka, 1999). Entrepreneurship, in the words of Long (1983), is the act of making something new or different, generating resources for oneself and bringing value to whole society. In various genres, manifestations of entrepreneurship that originated in the past as small-sized family enterprises and SMEs, such as rural tourism (Beeton, 2002), agri-tourism (McGehee and Kim, 2004), homestay (Zamani-Farahani, 2011) and social entrepreneurship, has remained under discussions. Joseph Schumpeter claimed in the 20th century that entrepreneurship needs innovation, so the entrepreneurs are responsible for trying innovative things or doing things in a new way. Changing tourists' tastes, lifestyles and their holiday patterns (Crnogaj et al., 2014) suggest diversification of tourism products in order to meet the criteria of new types of tourists in tourism sector (Backman, 2005). Thus, the gradual change in tourist tastes and preferences, the ongoing advancement in tourism trends, increase in the demand for tourism products and services, higher number of new tourists and the

advancement in sectorial competition all make the issue of entrepreneurship a survival approach for tourism and hospitality industry (Pırnar, 2015).

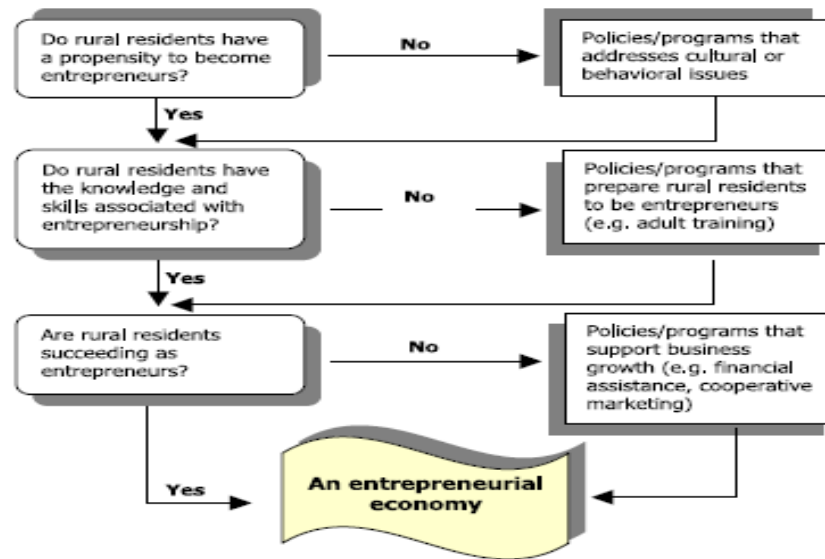


Fig. 2.1: Framework for encouraging rural entrepreneurship

Source: Lordkipanidze, M. et al., (2005). The entrepreneurship factor in sustainable tourism development. <https://doi.org/10.1016/j.jclepro.2004.02.043>

Lack of research on tourism entrepreneurship and small tourism enterprises (SMEs) in developing countries has been pointed out by (Goodwin, 2003; Rogerson, 2007b) by identifying the need of institutional involvement in providing assistance for SMEs to minimize the disadvantages and to overcome the business failures. Li (2008) argues that the theoretical studies on entrepreneurship in tourism remain limited as compared to all the research work on tourism industry. SMEs play important role in providing services for tourism and hospitality industry (Zhao et al., 2011). The results of the study conducted by Cem et al., (2019) shows that tourism entrepreneurship research themes are being expanded from developing countries to emerging markets. The study level starts at the macro - level (firms) and advances progressively to the micro level (individual entrepreneurs) and macro level

(environment). At present, entrepreneurship in H&T is rich in practice but low in theoretical development. The existing literature offers great significance especially towards the community participation in tourism development process. Most of the research work focuses on the issues related to participatory approach in developed countries under the prevailing social, economic and environmental problems (Reed, 1994; Simmons, 1997). The core and major issues concerning weak performance of tourism industry in South Africa has been analyzed by (Rogerson, 2008) which are; expensive and limited air transport; lack of benefits from prevailing tourism development pattern, unskilled labors, limited finance, weak tourism planning and international image of the country. Though, the lack of skilled man power is a global issue. As stated by Richardson, (2009) the tourism sector all over the world is facing the one common issue that is unavailability of skilled labour force. Additionally, touristic policies in developing countries are generally designed by government agencies and large tourism firms (Alasttal, 2017).

The above discussed issues are also evident in case of Pakistan as one study conducted by (Israr et al., 2009) confirms that lack of infrastructure, limited transport facilities and the security situation in the country are major causes of low inflow of tourists. They describe that 81% of their respondent were unsatisfied with the policies of government to promote tourism, though the role of NGOs were admired by the respondents. These result shows that input of local resources are greatly marginalized. In addition, the role of the small tourism businesses for poverty alleviation and development of local economy has been acknowledged by the studies of (Ashley, 2002; Mitchell and Ashley, 2006b; Goodwin, 2009) on 'pro-poor tourism'. Generally, literature offers great significance towards the questions relating to small firms and their development pattern in developing areas. Across the developing economies of the world, it has been recognized that the promotion of small businesses can bring off the objectives of higher income, investment and more jobs for local people (Dahles, 2002; Roe et al, 2004; Sharpley, 2008). As explained by (Ateljevic, 2007: 317) in his research that most of the

work has been done in Europe mainly focusing on small tourism businesses particularly on accommodation sector. The ongoing debates around the developing world for tourism development implies that local development is necessary along with maximizing linkages for tourism entrepreneurial development to achieve the desired level of economy (Ashley et al., 2000, 2001).

2.5 Research Gap

Many researchers has identified the lack of research on entrepreneurship and sustainable tourism development in developing countries. Though, there are some studies which addresses common issues and identifies ways for sustainable development of destinations. Most of such studies revolve around the participatory approach of local people. Yet, there are communities and destinations which despite their great potential for tourism activities perform less as compared to the others. Similarly, sustainability of the tourism destinations has also become the major concern for development theorists around the world. Pakistan is one of the favourite destination for national and international tourists, its great potentials are still untapped. The sustainability of tourism industry is an important yet, less discussed problem in Pakistan. While the significance of sustainable tourism is evident from the global trend of tourism research on this subject matter. In the same manner, studies has identified and proved that entrepreneurship is the key factor of sustainable tourism growth. Therefore, it was imperative to understand the nature of entrepreneurial culture in the region like Gilgit Baltistan which is famous for tourism and recreational activities. Moreover, there were no such studies available that explicitly discuss the relationship between local entrepreneurship and sustainability of tourism sector in case of Pakistan. Similarly, it was also important to develop basic data and knowledge about tourism industry and identify benefits and challenges that it offers to its major stakeholders in Gilgit Baltistan. Therefore, this study will fill the gap by examining the business development pattern, while implicating the ways for fostering entrepreneurial activities in tourism sector. Similarly, the scarcity of information on entrepreneurial environment in host destination will also be minimized.

CHAPTER 3

DATA AND METHODOLOGY

3.1 Dataset

The study was conducted using the combination of qualitative and quantitative approaches. The major focus of our study were accommodation sector which includes hotels, guest houses and B&B's (Bread and Breakfast). The major reason why this research is design to address the accommodation sector is that with the advancement in tourism industry, tourism products are also diversifying with the increase in demand for new type of tourism activities. And the rural tourism development depends upon the entrepreneurial approach of indigenous communities, which is the driving force behind their economic growth and development. Also, tourism industry is comprised of mostly small enterprises, therefore, the role of these tourism entrepreneurs can play an important role in all sorts of local development and sustainability. The primary data was collected through survey methods i.e. questionnaires and in- depth interviews with the owners of the businesses which were directly or indirectly related to tourism sector. The secondary data was collected from Ministry of Tourism Pakistan, Tourism and Culture Department of Gilgit Baltistan, various other government departments, publish books, reports and previous studies conducted related to the area of research. The qualitative aspect of the data has been assessed through different charts, tables and graphs, while quantitative analysis was carried out through Principal Component Analysis using Statistical Package for Social Sciences (SPSS).

3.2 Study area

This research was carried out in three districts of Gilgit Baltistan namely Hunza, Nagar and Gilgit. Because, these regions are famous for its anthropogenic diversity and geographical location

(Stone, 1992). Gilgit Baltistan is located in the extreme north of Pakistan comprised of ten districts named as Gilgit, Hunza, Nagar, Ghizer, Astore, Skardu, Kharmang, Shigar, Ghanche and Diamer. It has evolved into an attractive tourist destination for international as well as local tourists. Most of the international tourists visit Gilgit Baltistan because of its immense potential for tourism activities and diverse topography. The world's three largest mountain ranges; Himalayas, Karakoram and Hindukush lies in this region. GB holds some of the highest peaks and largest glaciers in the world. Five out of fourteen peaks higher than eight thousand meters and three out of seven largest glaciers outside the polar region lies in this area. The development of tourism activities in this region started during the colonial rule of British Empire (Kreutzmann, 1996). During this time period, colonial forces and other officials used to travel Northern Areas in order to spend their holidays and enjoy in a natural environment and pleasant weather. Though, the tourism activities were limited at that time period, however, it emerged as a famous tourists destination after the completion of Karakoram Highway (KKH) in 1978 (Groetzbach, 1989). Likewise, with the opening of China Pakistan Economic Corridor (CPEC) in 2015, the number of international and local tourists flow has dramatically increased. According to one estimate the number of tourists visiting GB has increased from 50,000 in 2014 to 0.6 million in 2017 (Baig et al., 2020). Thus, Gilgit Baltistan region has witnessed a significant number of tourists arrivals since last decade, which shows the growing potential of this region for tourism activities. The *figure 3.1* below shows the total number of visitors towards Gilgit Baltistan from 2007 to 2017.

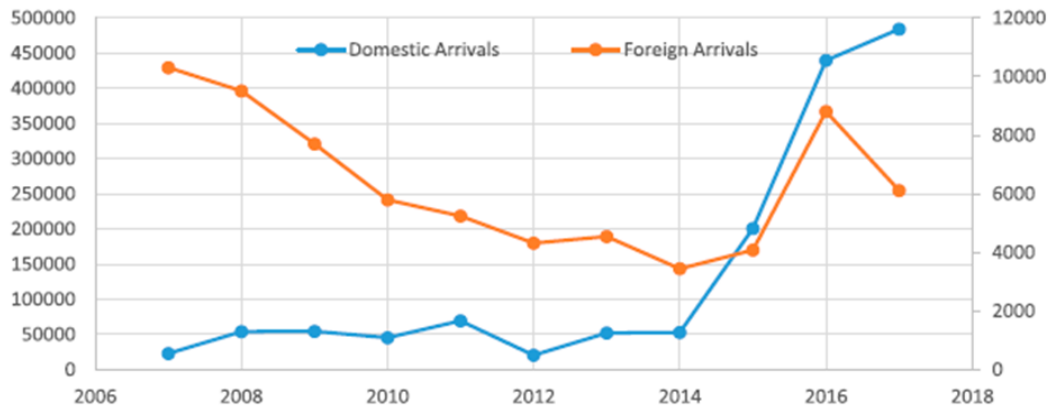


Figure 3. 1: Yearly total arrivals by domestic and foreign tourists during 2007-2017.

Source: (Baig et al., 2020)

Gilgit Baltistan is a vast region and it requires a considerable amount of time and resources for research. Therefore, our prime focus of study was confined to only three districts of Gilgit Baltistan, which are Gilgit, Hunza and Nagar districts. The major reasons for selecting these areas are their popularity among international tourists. As recognized by (Kreutzmann, 1996; Groetzbach, 1989) Gilgit and Hunza are the famous tourist destination. Similarly, district Nagar is home to the three out of five largest peaks in the region. Among other reasons these districts are also acting as a gate way for China Pakistan Economic Corridor (CPEC). Similarly, a large number of people in these areas are directly or indirectly affiliated to tourism industry (Israr et al., 2009). Thus, the purposive sampling technique has been used for these destinations based on their tourism activity. Thus, following areas were selected as target areas because of their popularity for tourism activities (Table 3.1).

Table 3. 1: Areas selected for data collection

S. No		Districts	Villages
1		Hunza	Karim Abad (Altit fort)
			Ali Abad
2		Nagar	Hoper
			Ghulmet (Rakaposhi view point)
3		Gilgit	Gilgit city

3.3 Sample size

Initially we started with the sample size of 500 from tourist, tourism businesses, local community and local authorities. However, because of current situation of COVID-19 pandemic constraints it was quite impossible to collect complete sample. Therefore, we could collect limited sample of 82 tourist, 50 business owners, and 50 samples of local community and 5 local authority officials. For business community we collected data from accommodation sector, which includes guest houses, hotels and B&B's (Bread and Breakfast) through stratified random sampling technique. Similarly, data from local people, authorities and tourists was collected through stratified random sampling technique with the help of well-structured questionnaires and in depth interviews.

3.4 Questionnaire Design

The field survey was conducted to collect the primary data with the help of well- structured questionnaires which includes numerical, open and closed-ended and five-point Likert scale questions. There were separate questionnaires for each stakeholder: tourism businesses, local community, tourists and local authorities. The first section of each questionnaire discussed the demographics and socio-economic aspects of the particular respondent. The second section presents the perception and opinion of the respondent regarding tourism development, infrastructure and services in the region. The last section was comprised of questions related to problems, impact of tourism and development options. The responses were based on open ended and likert scale questions ranging from 1 to 5. The likert scale type questions are widely used in survey based research because of their easiness to understand. For the credibility of the questionnaire, a pilot survey was conducted based on a small sample of respondents. Shortfalls and errors observed in the questionnaire were detached and final draft of questionnaire was organized. In addition to the questionnaires, informal interviews and personal observations were also used as a tool for data verification and analysis. Informal meetings were held with local people, domestic and foreign tourists, concerned departments, and hotel owners/managers in the study area.

3.5 Methodology

The data obtained from secondary resources was analyzed through different graphs and tables for analysis. While the primary data was collected through questionnaires and during in depth interviews from sample respondents. In order to examine the characteristics of tourists visiting GB and their satisfaction with destination features and travel experience, two types of statistical analysis were carried out. First, descriptive analysis were performed to analyze the demographics of tourists, travel characteristics, including the most famous touristic activities and places in the region. Second, statistical

analysis were made using one way analysis of variance (ANOVA) to identify the differences in satisfaction level of tourists regarding destination features and services offered at local accommodation establishments. Some of the variables are latent in nature and for that we developed an index using Principal component analysis. Before applying the principal component analysis (PCA) for reliability analysis we use Bartlett's Test of Sphericity and Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO).

- i. *Bartlett's Test of Sphericity*
- ii. *Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)*

Consider the inter correlation matrix below, which is called an identity matrix.

$$\begin{array}{ccc}
 x_1 & x_2 & x_3 \\
 x_1 \begin{bmatrix} 1 & 0 & 0 \\ 0 & 1 & 0 \\ 0 & 0 & 1 \end{bmatrix} \\
 x_2 \\
 x_3
 \end{array}$$

The variables are totally non collinear. If this matrix was factor analyzed it would extract as many factors as variables, since each variable would be its own factor. It is totally non-factorable. To calculates the determinate of the matrix of the sums of products and cross-products (S) from which the inter correlation matrix is derived. The determinant of the matrix S is converted to a chi-square statistic and tested for significance.

$$\chi^2 = - \left[(n-1) - \frac{1}{6} \left(2k + 1 + \frac{2}{k} \right) \right] \left[\ln |S| + k \ln \left(\frac{1}{k} \right) \sum \lambda_i \right]$$

Where n = number of values, k = number of components, λ_i = i^{th} Eigen value of S with $df = (k - 1) (k - 2) / 2$. The null hypothesis is that the inter correlation matrix comes from a population in which the variables are non collinear (i.e. an identity matrix) and that the non-zero correlations in the sample matrix are due to sampling error.

Before undertaking the factor analyses, the validity of the data was tested by using the Kaiser-Meyer-Olkin test of sampling adequacy. The result of the test was a value of 0.633, which is described by Kaiser (1974) as mediocre, which indicates that both the number of variables and the size of sample were appropriate for factor analyses. Bartlett’s test was significant ($\chi^2 = 681.633$, $df = 325$, $Sig. = .000$) and indicated that this analysis was correct for data procedure. To test the scale reliability Cronbach Alpha was calculated. The value of Cronbach Alpha was 0.688, exceeding the minimum acceptable range of 0.5 as indicating by many researchers thus, showing satisfactory internal consistency reliability of the scale (*Figure 3.2*).

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.633
Bartlett's Test of Sphericity	Approx. Chi-Square	681.633
	df	325
	Sig.	.000

Figure 3. 2: Kaiser-Meyer-Olkin test

Principle Component Analysis

We have used a multidimensional statistical research technique to evaluate classes of related variables-primary component analysis (PCA). The aim of this analysis is to reduce the original number of variables defined by new (artificial) quantities marked as components that simplify the original variable information at the expense of limited loss of information. The factors are mutually exclusive and are arranged to explain the total dispersion of observed variables according to their contribution (Hendl, 2006). Principal component analysis can be understood as a linear conversion of original variables into new uncorrelated variables, called principal components. The fundamental characteristics of each principal component is its level of variability from other variables. Due to their significance, principal components are arranged according to their decreasing variability. The first component

concentrates more of the information on the variability in initial information, the least in the last component (Hendl, 2006). Principal component analysis (PCA) is concerned with the decomposition of X into a structural part TPT and a noise part E using the equation

$$\mathbf{X} = \mathbf{TPT} + \mathbf{E},$$

Where T ($n \times k$) is a matrix of component score and P ($k \times m$) is a matrix of components weights, E is a residual matrix. We can call it the TPT product or the principal component model. The residual matrix E is not a part of the model, it refers to that part of data X which is not incorporated in the model. Thus not included in the principal component of the model component TPT and represents the measure of the lack of fit of the original data by the model. The principal component model (PCA) can be written as

$$\mathbf{X} = \mathbf{t}_1\mathbf{p}_1^T + \mathbf{t}_2\mathbf{p}_2^T + \dots + \mathbf{E}$$

The synthesis of the above approaches is used to survey the quality of services in different tourism fields, such as the hotel sector, transport, travel agents and hospitality services (Hudson, 2008).

CHAPTER 4

RESULTS AND DISCUSSION

This chapter presents the perspective of main stakeholders of tourism industry in Gilgit Baltistan i.e. local community, business owners, tourists and local authorities. The first part of each section provides the demographic information and some characteristics of the respondents. The second part discusses the socio-economic aspects of tourism development. Similarly, the third section presents the perception and satisfaction of destination features and tourism services. The final section of this chapter discusses the major problems and benefits faced by tourism entrepreneurs, local community and tourists in the region.

4.1.1 Tourists demographics and trip characteristics

The demographics and travel characteristics of tourists are summarized in table 4.1. The survey found that 86.4% were domestic visitors and 13.6% were international tourists. Because of the health crisis around the globe the number of international tourists was declined sharply. The majority of tourists 69.5% were males as compared to the female visitors 29.5%. Most of the respondents 75.3% were younger than 35 years of age and 17.3% tourists were in between 35 and 45 years of age while few respondents 7.4% were older than 45 years of age. It was interesting to note that the education level of tourists visiting Gilgit Baltistan was very high. More than 85% of visitors were university graduates or postgraduates while the rest 14% attained primary, higher or vocational schooling. Regarding the sources of information to know about GB, the respondents highlighted the friends (67.9%), Internet (54.3%) and Social media (25.9%) as the main sources of information on GB. Newspaper, Tour operators and Travel magazines accounted for (14.8%), (17.3%) and (16%) among sources of information respectively. The survey revealed that nearly (78%) of tourists made their own trip arrangements while (22%) used travel agency to book their trip. We found that these travelers composed

their trips with friends (61.7%), family (24.7%), and coworkers (6.2%) while the few (7.4%) traveled alone. Over 35% of the tourists had their own transportation facility. Similarly, 23.5% used rental car services, 12.3% traveled by public transportation and only few 6.2% traveled by air.

Table 4. 1: Tourist demographics and trip characteristics

<u>Characteristics</u>	<u>Percent of cases</u>	<u>Characteristics</u>	<u>Percent of cases</u>
Gender:		Travel mode:	
Male	69.5	Self-travel	77.8
Female	30.5	Travel agency	22.2
Age:		Travel with:	
Less than 25years	27.2	Alone	7.4
25 – 34 years	48.1	Friends	61.7
35 – 44 years	17.3	Family	24.7
45 – 54 years	4.9	Coworkers	6.2
55 – 64 years	2.5	Transportation:	
Education:		Rental car	23.5
Grade/Primary School	1.2	Public transport	12.3
High School	4.9	Own car	35.8
University graduate	58.0	Motorcycle	4.9
University Postgraduate	28.4	Bus or coach	14.8
Vocational/Technical Institute	7.4	Bicycle	2.5
Source of Information*		Air transport	6.2
Social media	25.9	Number of trips:	
Internet	54.3	1st time	37.0
Friends	67.9	2nd time	32.1
Newspaper	14.8	3rd time	9.9
Tour operators	17.3	4th time	2.5
Travel magazine/brochure	16.0	More than 5 times	18.5
Type of accommodation:		Camping	11.1
Hotel/Motel/Inn	67.9	Homes of friend and relatives	7.4
Guesthouse	13.6		

* Because of multiple responses variables doesn't sum to 100%.

The limited usage of air transport services is because of non-availability of international standard airports in Gilgit Baltistan region. Another reason is the unpredictable flight schedules of Pakistan International Airline (PIA) which is the only airline operating in this region (Tourism Department, Government of Gilgit Baltistan, 2017). Most of the tourists (67.9%) preferred to stay in hotels or motels, while the others used guesthouses (13.6%), camping facilities (11.2%) and homes of friends or relatives (7.4%) to stay in.

The survey found that there was a significant difference between the duration of stay by international and domestic tourists. The average length of stay by foreign tourist was (37.6) days while the domestic tourist stayed for (8.3) days on average as shown in *figure 4.1*. Yet, most of the interviewed tourists 86.4% were domestic and only 13.6% tourists were foreign. Usually, foreign tourists travel to GB for recreational activities i.e. expeditions, mountaineering or hiking and these activities are adventurous and timing taking, therefore they comparatively stay for longer time periods. While the majority of domestic visitors were day travelers who visit to spend their vacations and enjoy the natural environment with their friends and family members.

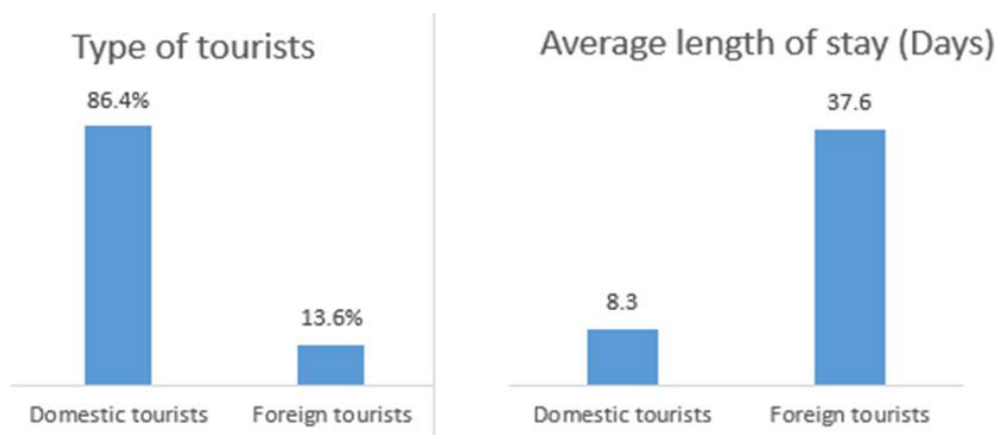


Figure 4. 1: Length of stay by type of tourists

Source: Survey analysis

When asked about the number of trips to GB, the tourists argued that they were traveling for the first time (37.0%), second time (32.1%) and third or fourth time (9.9%), (2.5%) respectively. Interestingly, the remaining tourists (18.5%) had visited GB more than five times. Since there are many famous destination to visit in districts Gilgit, Hunza and Nagar. The frequently visited places were Rakaposhi view point (91.6%), Attabad (84.3%) and Naltar (73.5%) of tourists had visited these places. Other famous places in these districts are shown in *figure 4.2*. Rakaposhi view point is the famous place in Ghulmet Nagar from where one can view the wonderful view of Rakaposhi Mountain. This is the only mountain in the world that grows right from beautifully cultivated green fields to the height of 25,550 feet. Attabad (84.3%) which is the main place in Hunza which is famous because of its largest lake also known as Gojal Lake. It was formed on 4 January 2010 during a landslide on the Hunza River near the village of Attabad. Similarly, Naltar Valley is the famous place in Gilgit region which is famous for its forest, lakes and dramatic mountain scenery. It is also famous for ski competitions held at Naltar Ski Resort during winter season.

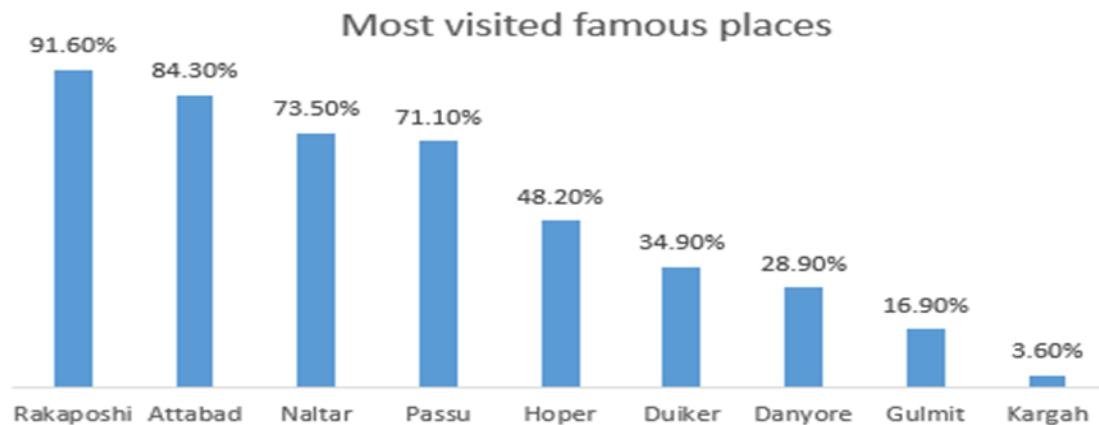


Figure 4. 2: Most famous places for tourists

Source: Survey analysis

4.1.2 Tourists perception and experience

This section presents the results of open ended and likert scale question asked from tourists to analyze their perception of destination and experience of its features. As the study of Larsen (2007) indicates that part of the expectations for tourism experience is related to tourist personal experience and part of it is associated with expectations for future visits. As shown in Table 2. The overall perception of tourists was not as good as (M = 2.11 was highest). The reason is evident that there tourists were not satisfied with the amount of local products and opportunities to enjoy and to engage with local community (as M = 3.64 and M = 3.21 respectively). The perception of tourists regarding the local food and products can be improved if the products are marketed properly. Because there are number of local products ranging from local dishes, jewelry, ornaments and locally made wooden furniture etc. Additionally, accessibility of major attractions and touristic spots are difficult because of poor infrastructure and management services at these destinations. Although the number of visitors in the region has increased because of improved road condition due to CPEC.

The visitors' recommendations for others to visit the area revealed the fact that the region was still a favorite place for travelers as shown in table 4.2. Additionally, the study showed that majority of the tourists came to GB in order to explore its natural and unique environment (as M = 2.15 is higher after M = 2.11). Gilgit Baltistan is a rich and famous destination for natural landscapes and beautiful valleys, therefore tourists has shown high degree of satisfaction with regard to its unique environment. While, the tourists are still susceptible of security reasons because of terrorists attacks on foreign tourists in the region and episodes of sectarian violence in the past. Though, the security situation has improved, yet lot of measures are requires at local level to build the confidence of both domestic and international tourists. Similarly, lack of hiking and tracking routes for climbers leads to the bad perception of the area (M = 3.07). According the report of Asian Development Bank (ADB) Gilgit Baltistan is known as the paradise for mountaineers. There are 50 mountains more than 7,000 meters and home to the five 8,000

meters peaks including the second highest mountain (K-2) in the world. Although, the tourist numbers in mountain areas are relatively low in Pakistan, tourism has begun to affect the landscape, local economies and culture in some parts of the country (Groetzbach, 1989).

Table 4. 2: Tourist perception of tourism development

Attributes	Mean^a	SD
Cultural, historic and natural attractions are easily accessible.	3.15	0.896
Hotel and guesthouses offer good value for money.	2.32	0.96
To experience the unique environment is the main reason of my visit.	2.15	0.527
I feel safe while visiting the areas.	3.02	0.724
I have enjoyed hiking and tracking in this area.	3.07	0.877
There are variety of local foods and products.	3.64	1.535
There are many opportunities to engage with the local people.	3.21	1.626
The local people are hospitable and welcoming.	3.06	0.731
I will recommend to my friends to visit this area.	2.11	0.387

^a1 = completely agree to 5 = completely disagree

4.1.3 Tourists satisfaction of destination features and services

In order to analyze the quality of services offered at accommodation establishments the tourists were asked to indicate satisfaction level of services provided at accommodation facilities on scale of 1 to 5, where 1 = Very satisfied to 5 = Very unsatisfied. The results of the analysis indicate that tourists were unsatisfied with majority of services (Figure 4.2). The mean value greater than 3 were considered as low quality. The research found that tourists were unsatisfied with the following services e.g. washrooms, cleanliness, parking and culinary services in order of decreasing satisfaction, such that the

lowest level of satisfaction was recorded for culinary services with mean value of (3.67) followed by washrooms quality (3.29), parking facilities (3.28) and cleanliness (3.23). Although, tourists were relatively satisfied with quality of accommodation and quality of exhibits with mean value of (1.96) and (2.22) respectively. The major reasons behind the low quality of services at accommodations facilities are the lack of awareness and education among owners and employees working in these businesses. Regarding hospitality and management services the employees had less or no experience at all. Such kind of individuals are hired at very low wages which is an easy way for business to earn profits. In the GB region, there are no formal facilities for educating and training workers required for hospitality services. Therefore, development of training centers and institutions at local level has become the most important subject for tourism development in Gilgit Baltistan region. The local authorities responsible for tourism development should take initiatives and develop training institutes in order to train the local workforce. Similarly, these authorities can design specific rules and regulation to check the standard of services provided in the tourism establishments. *Figure 4.2* shows the satisfaction level of tourists regarding services at accommodation facilities.

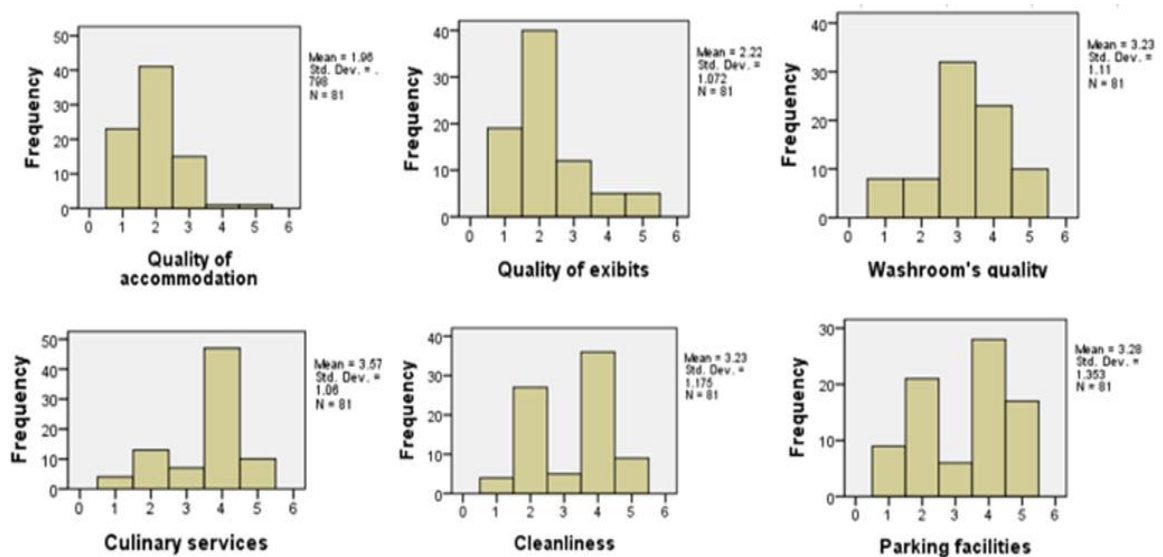


Figure 4. 3: Tourists satisfaction of services

In order to determine the perception of tourists regarding destination features five point likert scale questions were asked from tourists. *Figure 4.4* presents the satisfaction level of tourists from destination features. It is evident from the figure that tourists were satisfied with majority of destination features ranging from construction of hotels and guesthouses to touristic facilities available at the destination. Yet, the most unsatisfied features were roads condition, telecommunication and transport services in Gilgit Baltistan region. Accessibility towards GB has been improved by development projects under CPEC agreement between Pakistan and China, yet road condition in some parts of Chilas and Kohistan are still improvable. Construction of better road infrastructure is necessary for an accessible destination, therefore improvement is essential to attract the tourists towards GB region.

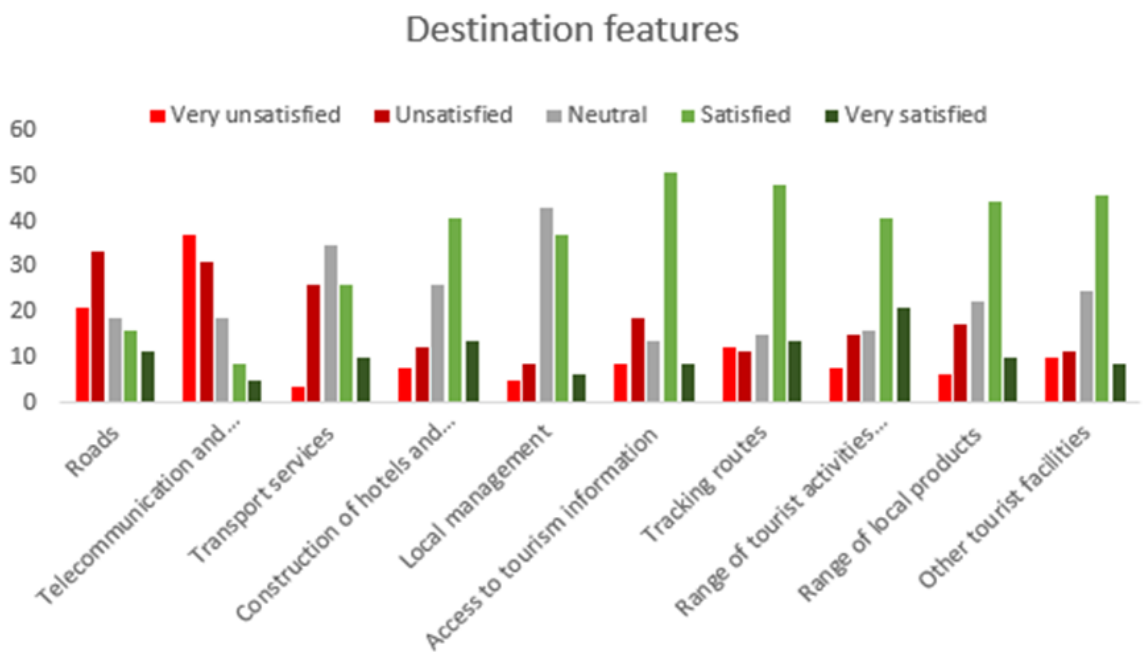


Figure 4. 4: Tourists satisfaction of destination features

4.2.1 Descriptive profile of tourism businesses

The profile summary of businesses surveyed in this study are presented in table 3. The managers/owners of the sample tourism businesses were interviewed as they hold most of the information regarding their business. The composition of the businesses in the survey area were hotels

(73.5%), guesthouses (16.3%), restaurants and B&B's accounted for 8.2% and 2.0% respectively. Majority of the businesses were sole proprietorship firms (63.3%) and the rest (36.7%) were partnerships firms. Around half of the businesses 49.0% used their own savings to start up their business. While some of the businesses (26.5% and 22.4%) were developed with the help of bank or private loans respectively. Only few businesses 2 % were inherited businesses. The basic difficulties in limited usage of private resources and bank loans for business development are high risks, scarce credit facilities, limited financial knowledge and complex procedures of financial institutions.

Table 4. 3: Descriptive profile of tourism businesses

<u>Variable</u>	<u>Percent of cases</u>
Type of business	
Guest House	16.3
Hotel/Motel/Inn	73.5
Restaurant	8.2
Bread and Breakfast	2.0
Source of income:	
Local tourists	91.8
Foreign tourists	6.1
Govt. guests	2.1
Ownership:	
Partnership Firm	36.7
Proprietorship Firm	63.3
Business Stage:	
Start-up stage	10.2
Pre-profit	8.2
Profitable and growing	59.2
Established and stable	12.2
Established an growing	10.2
Seasonal/Yearly income:	
50,000 - 100,000	4.1
100,000 to 1 Million	46.9
1 Million - 5 Million	30.6
5 Million - 10 Million	16.3
Above 10 Million	2.0

4.2.2 Type and locality of businesses

Figure 4.4 below shows the area wise distribution of sample businesses. The development of lodging facilities has been increased in the last few years as most of the surveyed business were hotels. Similarly, the number of guesthouses have also increased in these districts especially in district Hunza and Nagar. Being the famous place for tourism activities district Hunza has witnessed a substantial growth in accommodation sector. District Nagar is relatively unexplored area in terms of tourism activities, yet, the number of accommodation establishments has increased at various famous destinations in this region. Gilgit being the capital of the region has developed many business quite early. Thus, the development pattern in term of accommodation facilities is remarkable in District Hunza and Nagar.

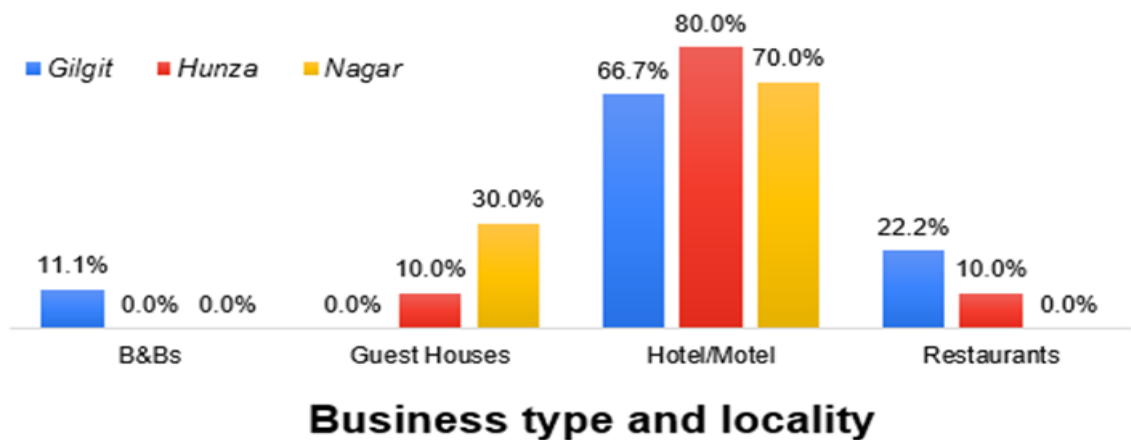


Figure 4. 5: Type of businesses and locality

4.2.3 Size and capacity of tourism business

The table 4.4 shows the size and capacity of the tourism businesses. The average number of staff in a sample business was 7 employees. Similarly, the average size of the business had 13 rooms with 32 beds. The minimum size of the business in the sample data had 4 rooms and 6 beds respectively. The

largest hotel had 42 rooms with the bed capacity of 106 rooms. Among other services camping facility for guests was present at some of the businesses.

Table 4. 4: Size of accommodation businesses

	Mean	Std. Deviation	Minimum	Maximum
Managerial staff	1.29	0.645	1	4
Non-managerial staff	2.04	2.111	0	9
Skilled or semi-skilled	2.27	1.255	0	5
Unskilled	1.92	1.566	0	7
Total staff	7.49	4.047	2	22
Number of rooms	13.73	10.089	4	42
Number of beds	31.55	26.109	6	106
Others	1.9	0.306	1	2

4.2.4 Development pattern of tourism businesses

The survey found that there was a boom of tourism activities in Gilgit Baltistan, particularly construction of accommodation facilities had increased many folds in the last five years. Nearly 67% of the lodging facilities had been developed after 2015 as shown in *figure 4.5*. This indicates the expansion of business environment in the region which has opened many opportunities for local people to earn income through business activities. In the same manner it has created employment opportunities for indigenous people as most of the young population generally migrate to other parts of the country for jobs. Yet, this uncontrolled construction of lodging facilities can bring serious consequences to natural environment in the region. The study of Kreutzmann (1996, 2000) has already highlighted that due to tourism development agriculture lands are been converted into business hubs and too much

constructions at most scenic points has reduced the natural touch if tourism destinations. Similarly, the study conducted by Saqib et al. (2019) has found that local people are destroying the natural ecosystem by building resorts and restaurants to facilitate tourism and produce revenue, due to high influx of tourists to GB. They also found that most of the hotels, restaurants and guest houses were newly built and used local forest wood for building.



Figure 4. 6: Development pattern of tourism businesses in Gilgit Baltistan

Interestingly, this time period is considered as the revival of tourism industry in Gilgit Baltistan region, after 9/11 incident in 2001 followed by the decade unrest of political and economic situation in the country (Ahmed et al., 2016). During this time period tourists arrivals were mainly increased due to improved economic, political and security situation in Pakistan, as well as up gradation of road infrastructure in GB region due to CPEC all played significant role in boosting tourists’ arrivals (Baig et al., 2020). Before this time period tourism industry was badly affected due to war on terror in the country and foreign tourists had almost stopped traveling to this country. As one of the study by Ali (2010) confirms that infrastructure was badly damaged and adversely affected the development process while imposing heavy burdens on economy of Pakistan.

The research also found that these newly established tourism business were performing considerably well in terms of its operations despite lack of experience this field. More than half of the

businesses 59.2% were found to be operating well and in growing position. Likewise, 22.4% businesses were established, stable and growing and only few 18.2% were at their start-up or pre-profit stages. In terms of annual/seasonal income earned from tourism activities 46.9% businesses reported in the income category of Rs. 100,000 to Rs.1 Million, 30.6% businesses were in Rs. 1 Million to Rs. 5 Million category, 16.3% business reported that they earn between Rs. 5 Million to 10 Million per season and few business 2.0% were earning above Rs. 10 Million in one season.

4.2.5 Additional costs to the business

A substantial number of business owners have disclosed the fact that a major share of their revenue goes to delivering essential services, as they are dealing with persistent basic problems i.e. clean water and electricity. One of the business owner in district Hunza argued that *“We bear a lot of expenses in order to provide clean water and electricity to our guests, if these problems were solved we would’ve earned more income, we request local government to devise a permanent solution for these issues”*.

Similarly, another respondent argued that *“Our major expenses are on power supply during load shedding. Government should pay attention to fix this issue so that our businesses will improve”*.

The power shortages are frequent in many districts of Gilgit Baltistan, despite its great potentials for hydro-power and other renewable energy generations. According to estimates GB region have the potential to generate nearly 20,000 megawatts of hydroelectricity. Which can be supplied to other regions of the country after meeting its own demand. During non-availability of electricity the businesses generally use fuel generators to compensate for power shortages which impacts the environment badly besides incurring huge costs for the business. Such expenses can never be perceived as good because it crowds out major share of their income thus leaving the businesses with little funds for investment. The small businesses cannot flourish well without adequate funds for investment as the

World Bank has clearly highlighted that finance is crucial for business growth. Additionally, Gilgit Baltistan is not a self-sufficient region in producing food items for local as well as tourist consumption and most of them are brought from down country (Kreutzmann, 1995). Resultantly, a considerable amount of money earned from tourism activities is drained out of the region.

4.2.6 Seasonality

The research has found that most of the businesses were operating only seasonally, especially lodging establishment i.e. hotels and guest houses usually operate in summer season because of low tourist arrivals in winters. While restaurants and B&B's were operating in winters as well but with limited number of guests. The *figure 4.6* show the percentage of seasonally operating and all year businesses. The business period in the region usually begins after the end of winter season as the tourists starts to visit the area during spring season. From the last week of March to 1st week of April the weather in Gilgit Baltistan becomes pleasant and tourists start travelling to the region in order to enjoy the blooming season. During this period the whole GB turns into a colorful valley with snow caped mountains in the background, thus becoming a most attracting place for travelers. Subsequently, tourism businesses in the region becomes operational because of tourists arrival.

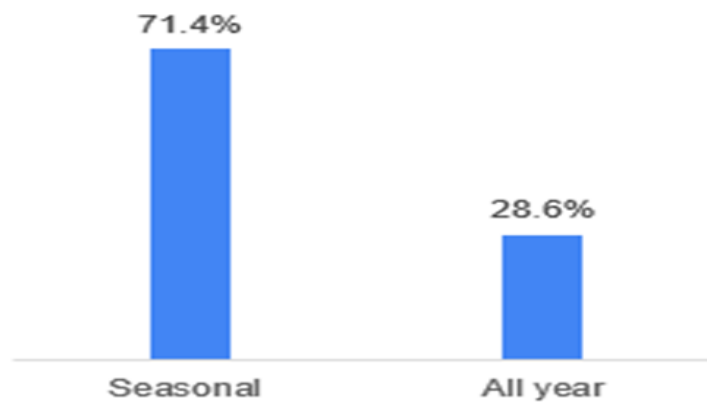


Figure 4. 7: Business operation

In the summer season during the months of July, August and September tourists arrivals reaches on its peak level and all of the tourism businesses in the area becomes fully operational. This trend of business activity usually last for eight months and starts declining afterwards till the end of October. Majority of the businesses had to close their business because of non-availability of customer as the tourists arrival usually ends during winter season. These findings are consistent with the studies

discussed in literature that the lack of infrastructure, limited transport services and the security concerns are major causes of low inflow of tourists (Israr et al., 2009). Among other reasons, difficult accessibility during winters and harsh weather conditions causes low inflow of tourists. The *figure 4.7* below shows business operating months indicated by the owners/managers as they were asked to specify the duration of business activity.

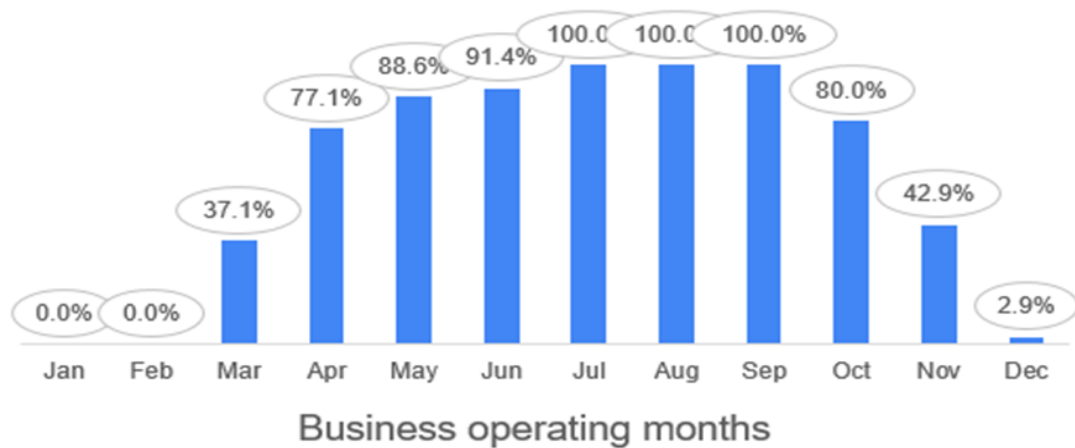


Figure 4. 8: Business period

4.2.7 Demand for services

The survey found that the highest room occupancy months were July, August and September while the lowest room occupancy recorded during months of Dec, January and February. During this peak season majority of businesses were fully occupied. A significant number of business owners reported that demand for their services frequently become very high during the business months. The *figure 4.8* below show that 51% of business reported that they came across episodes when the demand for the services were very high due to high influx of tourists in the region and they couldn't provide. The high demand for accommodation facilities in the region indicates the fact that there are good opportunities of investment for local people to invest in this sector.

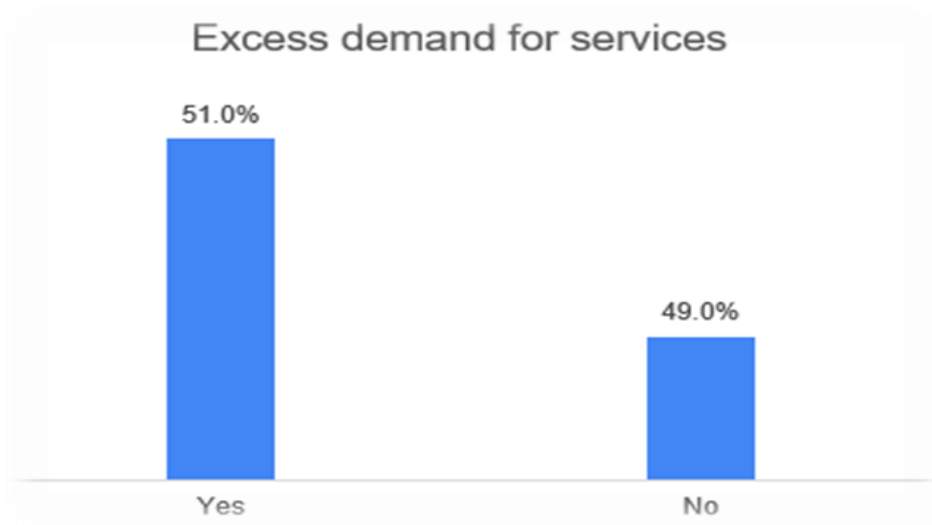


Figure 4. 9: Excess demand during peak months of business

The high demand for services and expansion of this industry is beneficial and profitable for local investors and economy. Yet, these gains are unsustainable since employment opportunities are seasonal. The majority of lodging facilities close their operations in winter season when tourists stop travelling to the area, as a result people working at these businesses lose their jobs. Similarly, some of the businesses had to bear huge costs in terms of rental payments as they were developed on commercial or rented property. Harsh weather conditions, lack of touristic facilities i.e. resources for heating purposes and power shortages coupled with inaccessible roads during winters are the major causes of low inflow of tourists towards Gilgit Baltistan. While, the region offers a lot of winter activities for tourists e.g. enjoy snow falling, snowboarding or skiing.

4.2.8 Impact of current economic situation on businesses

The tourism business were asked whether the current economic situation has affected their business or not. Around 98% business owners reported that they had been affected by current economic situation. Only 2% reported that they had been affected. The major impacts identified by these businesses are presented in below *figure 4.9*. Nearly 90% of the owners argued that the overall costs of

their business had increased, 31% reported that it had put additional financial burden on their business and 29% were of the opinion that purchasing cost of the business had increased.

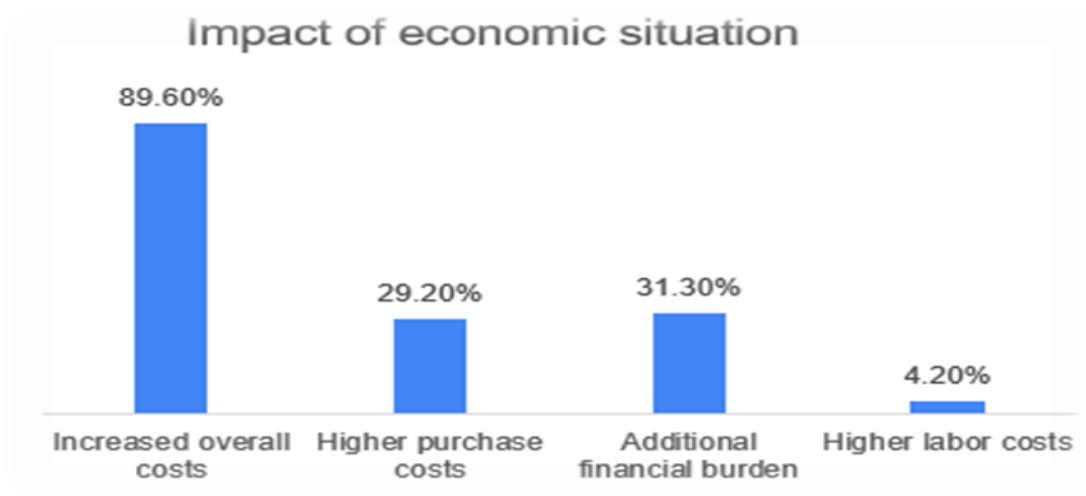


Figure 4. 10: Economic impact on businesses

Furthermore, respondents were asked to indicate any action they had taken to mitigate the above mention economic impacts. In response to economic impacts 55.1% of the businesses reduced their employees, 22.4% postponed their investment plans and 8.3% cut their costs. While, 28.6% did not took any action (*Figure 4.10*). This indicates that current economic conditions has significantly affected the employment and business activity especially the investments. Though, the current economic situation has become a global crisis therefore, its repercussion are certain.

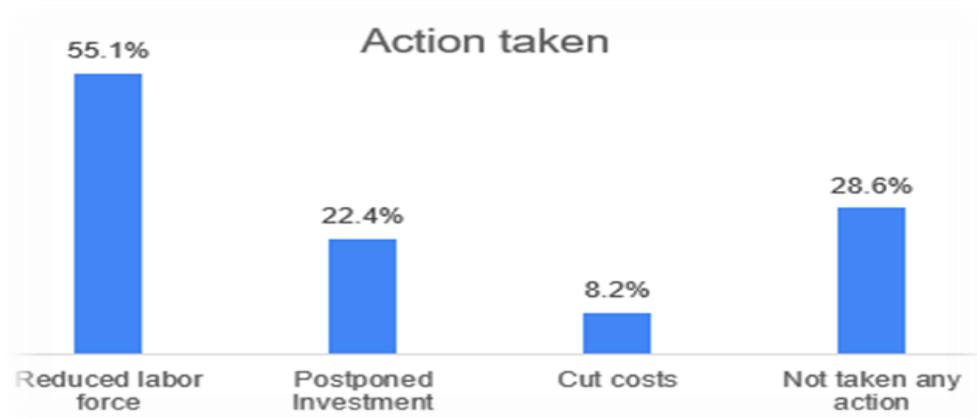


Figure 4. 11: Action taken in response to current economic condition

Additionally, tourism businesses were asked whether they have noticed any change in the consumption decision of their guests/clients, nearly 70% of them agreed that they had noticed change in consumption decision of their clients in the last six months and 30% of them did not noticed any change. Among those who noticed change in clients behavior 53.5% argued that guests became price conscious, 53.5% noticed quality conscious and 20.9% of them said that their guests were spending less money as shown in *figure 4.11*. The change in consumption pattern of tourists can be attributed to the global economic slowdown due to ongoing health pandemic.



Figure 4. 12: Perceived change in consumption behavior of guests

4.2.9 Problems faced by tourism business

Apart from seasonality tourism entrepreneurs in Gilgit Baltistan faces many problems. Some of the problems lie within the business and some are external issues which affect the overall performance of these businesses. In order to identify these problems business owners/managers were asked to indicate the major issues which they are facing. The major problems for the businesses are presented in table 4.5.

Table 4. 5: Major problems faced by business

Problems	N	Percent of Cases*
Lack of funds for investment	29	59.2%
Access to finance	6	12.2%
Lack of trained staff	34	69.4%
Big inflation	19	38.8%
Access to Information and know-how	22	44.9%
Competition	14	28.6%
Regulations	1	2.0%
Hotel size	2	4.1%

*Responses don't add up to 100% as they are multiple responses

The most common problems faced by businesses were lack of trained staff (69.4%). Though, the lack of skilled man power is a global issue as discussed in literature. As stated by Richardson (2009) and the tourism sector all over the world is facing the one common issue that is unavailability of skilled labour force. As tourism industry is mainly service industry therefore, the quality of services offered at these establishments play an important role for this sector. Lack of funds for investment (59.2%) was the second major problem for tourism businesses. In the same manner, 12% respondents highlighted

that access to finance is among the main problems in the way of business development. The study of Rogerson (2008) has proved that limited finance is among core issues for weak performance of tourism industry. As discussed in literature, finance is the life blood of every business, thus tourism as a business requires a healthy financial system. The role of finance is more important when it is related to entrepreneurial activities e.g. tourism businesses. Such problems are usually faced by entrepreneurs operating in rural areas, because in such areas financial system is either less developed or the existing funding facilities are limited and insufficient. In the same manner access to information and know-how (44.9%) was the third major obstacle to run the business operations smoothly. The preferences of tourists usually varies across different cultures and territories, therefore tourism businesses require sufficient knowledge of the industry in order to provide and make services more accessible. There are no such institutions in Gilgit Baltistan to provide guidance and knowledge related to hospitality and management service. The development of such institutions are necessary for skill development of local work force. This kind of measures are also important for sustainable local development as it helps in skill development of local people. Similarly, high inflation (38.8%) was the fourth most important problem that has greatly impacted businesses. Generally, daily purchases for provision of essential services are among the major expenses of tourism businesses, thus the rise in prices of essential goods hampers the smooth operation of business activity. Additionally, the ongoing global health crises has badly disrupted the global supply chain and has aided to the rising inflation across the globe. Especially, the travel and tourism industry has suffered greatly by this health crises. Nearly 80% of tourism businesses were close to shut down and tourism destinations were unable to make profits in 2020 (Asmelash & Cooper, 2020). Furthermore, the time period for the global economic activities to gain recovery is still unknown so are the inflation rates expected to remain high until the global supply chain becomes normalized. The important questions are how the businesses will adjust the decisions regarding their operations against the effects of big inflation.

The survey also found that with the rise in accommodation establishments in the region, competition among businesses is becoming an influential problem. As highlighted in Table 5, (28.6%) business owners reported that competition is the also a problem for business. In fact, such problems generally occurs during off season when the demand for services decline due to considerable decrease in number of visitors. During this time period businesses cut their service prices in order to attract more and make visitors their potential customers. This trend of price cuts during off season make the businesses competitors of one another. In contrast, during peak season almost every tourism business becomes operational and it charges the customers according to demand for its services. Therefore, up to this level of tourism infrastructure development in the region, competition can be regarded as a seasonal phenomenon. Very few businesses (2%) reported that they had face regulatory problems.

In addition to the problems discussed above business owners were asked to indicate other issue which affect their business then one of the business owner in District Nagar said that:

“The main reason of low inflow of tourists to this district is the lack of its popularity among tourists. Therefore public as well as local government should make collective efforts to advertise our district, because it is still unexplored. Yet it is full of beautiful valleys and scenic tourism points”. This indicates that there are many touristic attractions in Gilgit Baltistan region which needs to be promoted among national as well as international forums to attract tourists from all over the world. Authorities may adopt different marketing and advertising strategies because studies has proven the importance of promotion of destinations through branding strategies.

4.3.1 Local community perception of tourism development

In order to assess the perception of local people about tourism development in the region residents were asked different question through questionnaires and personal interviews. Before filling questionnaires consent of the people was taken and then asked to provide their response against each

question. The first part of the questionnaire was about tourists used to visits their area. Majority (92%) of residents argued that tourists’ visits once a year and the only (8%) said that tourist visit twice a year. Similarly, 96% of the respondents said that they feel happy when tourists visit their place and few respondents only (4%) argued that they don’t feel any difference when tourists visit their area. In the same manner, local people were asked to indicate the good lessons if they had taken from tourism, 83.5% said awareness, 39.2% said knowledge, 3.9% said they learned nothing and 5.9% said others. According to the local perception environmental and cultural attractions are the main reason for tourists. Additionally, Sightseeing, trekking and hiking were among the major reasons for visitors according to local people. *Figure 4.12* summarize the opinion of local people regarding tourists’ major reasons of travel to GB.

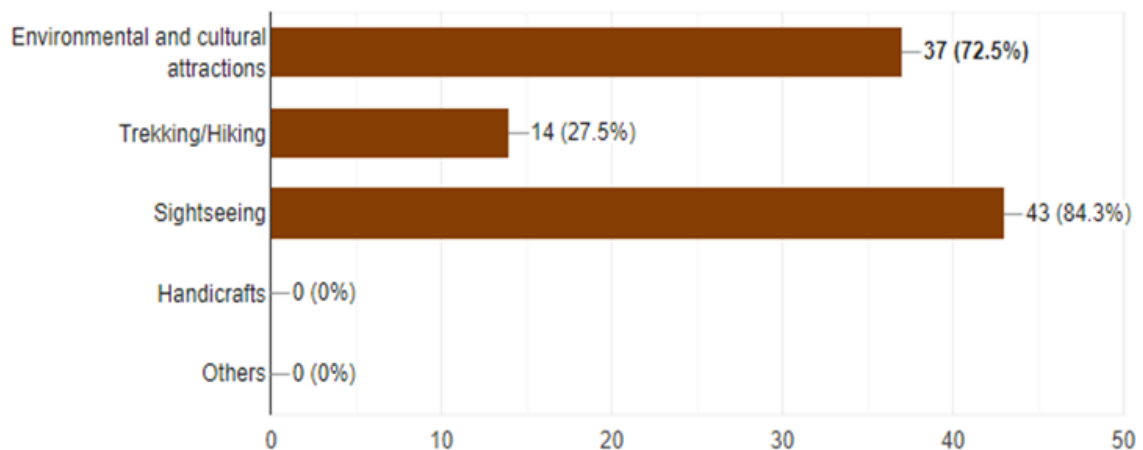


Figure 4. 13: Local perception of tourists’ purpose of visits

In the same manner local residents were asked to provide their opinion regarding different attributes of tourism development in the region. Table 4.6 provides the mean values and standard deviation of questions asked from local community regarding their perception of tourism development in the region. These questions were analyzed on likert scale of 1 to 5 where; 1 = completely agree and 5 = completely disagree. The survey found that majority of the people were supporting the argument of

attracting more tourists to the area ($M = 1.76$). There are very limited employment opportunities for the local people in GB, therefore people are optimistic that tourism development will create employment opportunities and bring prosperity to the region. Furthermore, people were in favor of developing tourism infrastructure as the area lacks sufficient tourism infrastructure to accommodate tourists during summer season. In the same manner, local people agreed that tourism brings investments into the region since there are lot of opportunities for local and non-local investors. When the local people were asked about their involvement in tourism planning majority of them disagreed or denied to involve in any such policy ($M = 3.18$). This indicate that local perspective is either ignored or responsible authorities were not interested to involve local people in tourism planning. Involvement of local community from the perspective of sustainable tourism is very important. If plans for tourism development neglects the perspective of indigenous communities it may leads to an unsustainable tourism. The centrality of indigenous communities for sustainability has been proven by many studies. According to Goeldner and Ritchie (2005) four main stakeholders who play major role in tourism development are tourists, entrepreneurs, residents and local authorities. The role of each stakeholder is critical for successful tourism industry. Similarly, residents agreed to the statement that employment opportunities are seasonal as the tourism activities are seasonal in the region. In response to statement related to the environmental impacts of tourism activities respondents were agreed to that tourism causes pollution in the area. In order to make tourism responsible authorities can tax the visitors which would be a source of earning for local community besides maintaining the sustainability of environment. Similar management plans can protect the environment along with generating socio-economic benefits for local community.

The role of non-governmental organizations is considered an effective ways for promoting tourism activities, yet the perception of the local community regarding the role of NGO's revealed that the role of private organizations is negligible as most of the respondents disagreed to the statement that

NGO's are working in their area for tourism development ($M = 3.41$). The majority of the residents disagreed to the statement that benefits of tourism are confined to few individuals groups ($M = 3.22$). The residents argued that tourism development in the region has improved their wellbeing either directly or through indirect ways. Similarly, the local people disagreed to the statement that non-residents should be allowed to construct tourism attractions in the region, as they think allowing expatriates to operate tourism business will reduce the number of opportunities for local people. In the same manner, residents were concerned about too much constructions at scenic points. Thus, they agreed to the statement that unplanned constructions has destroyed the natural environment in the region. Finally, the local community were some agreed to the statement that benefits of tourism are greater than costs to the people of Gilgit Baltistan ($M = 2.57$).

Table 4. 6: Local community perception of tourism development

Attributes	Mean ^a	SD
Attracting more tourists to the area is the good idea.	1.76	0.744
I am in favor of developing tourism infrastructure in this area.	2.1	1.077
There are schemes for villagers to involve in tourism planning.	3.18	1.244
Tourism stipulates cultural activities.	1.71	1.064
Tourism increase seasonality in the labor.	1.9	1.044
Tourism causes pollution in the area.	1.65	0.483
NGO's are working in our area for tourism development.	3.41	1.525
Tourism attracts more investment in the region.	1.39	0.568
Tourism benefits a small group of people in the region.	3.22	1.064
Non-residents should be allowed to develop tourism attractions in the region.	3.16	1.362
Construction of too many hotels and other tourism attractions has destroyed the natural environment in the region.	1.57	0.831
The overall benefits of tourism are greater than the costs to the people of this area.	2.57	0.64

^a1 = completely agree to 5 = completely disagree

In addition, residents were asked to provide opinion on the impact of tourism development on the different areas. *Figure 4.13* presents the summary of local people's opinion about impact of tourism. The survey found that 43.1% of the respondent think that tourism development is beneficial for their family. In the same manner, majority of the residents argued that it is very advantageous for local economy, local government income and culture. In their opinion tourism has accelerated the business activity in the region and it also became a source of income for local government. Though, the survey found that local people showed some concerns regarding negative environmental and social impacts of tourism development. Approximately 47.1% of the local people think that tourism has created environmental consequences in the region. Similarly, 13.7% thought culture has been affected by

tourism. Similarly, 49% were of the opinion that tourism development has promoted the culture. In contrast, a substantial number of locals were showing concerns regarding environmental consequences of tourism. It is a fact that many famous spots are turning into garbage hubs as many local tourists throw unwanted things in open spaces at these destinations. The discarded waste then adds to the water channels which in turn reduces the quality of water a causes serious diseases (Saqib et al., 2019). The study of the same author has found that water quality in majority areas of Gilgit Baltistan is creating high risks for local community's health and the quality of surface water is already vulnerable as urban areas are heavily affected by improper drainage system. Similarly, noise and air pollution created by heavy traffic during summer seasons is also causing health issues among local residents. Because the topography of the region is comprised of high mountains and narrow valleys which do not support such emissions. Thus, the analysis of local responses regarding the impact of tourism development revealed the fact that tourism development has both costs and benefits for the local community and environment.

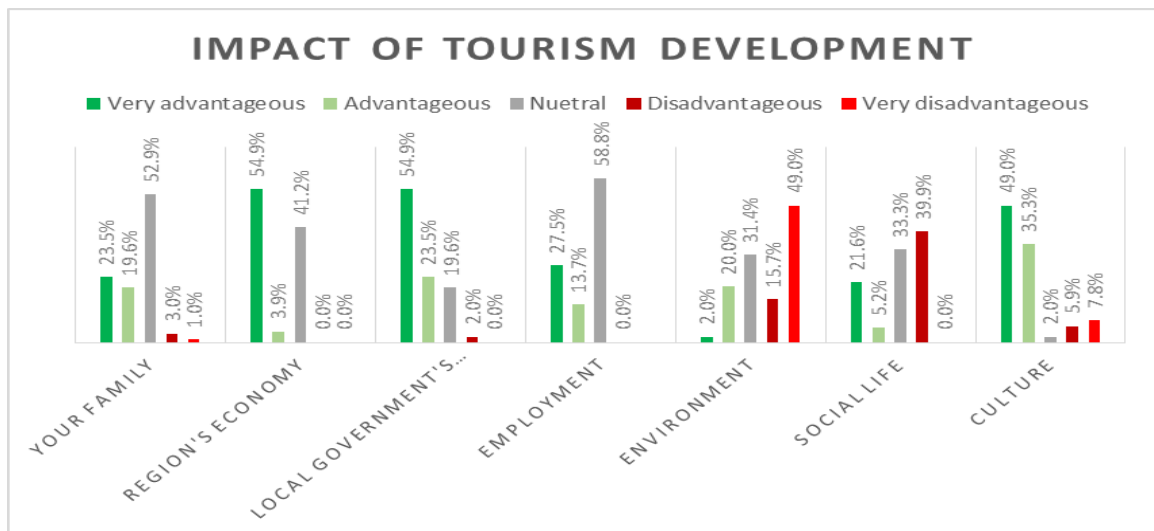


Figure 4. 14: Community perception about impact of tourism development

4.4.1 Local authorities perception of tourism development

Tourism is a social phenomenon that has an influence on society's values. However, society also affect the tourism activities, since the attitude of local community plays an important part in development of tourism. Therefore, authorities were asked to evaluate the attitude of local people. All of the officials stated that the attitude of local people is positive towards tourism and are very hospitable and welcoming. As one of the official stated that people are very conscious regarding development of tourism and they have realized importance of tourism, but on the other hand they also understand that environment and culture is affected a lot by tourism. Similarly, authorities were asked to indicate if any labour shortage in tourism industry of Gilgit Baltistan. Most of the officials indicated that there is a shortage of skilled labor, as one official indicated that there is shortage of skilled hoteliers, porters and tourist police. Another official stated that the region lacks professional hoteliers and travel guides. This indicates that local workforce is not skillful and business owners are nonprofessional in providing hospitality services and that is the reason tourists were unsatisfied with services provided at local accommodation facilities. In the same manner, officials were asked to specify if tourism development in the region has attracted workers from other industries. Most of them agreed that tourism has induced development in other sectors as well. As one revealed that in the field of hospitality management number of proprietors shifted from down country to GB besides it has attracted many workers from others sectors e.g. construction, hoteliers, guides etc. Another official argues that tour guides, hoteliers and tourism related sports men have been attracted by tourism development over the last decade. One of the official also indicated that tourism has helped to promote local handicrafts, food, gems and construction industry.

In order to assess the perception of local authorities regarding the development of tourism in the region, officials were asked indicate the impact of tourism on each of the following area on scale of 1 to 5 where; 1 = Very advantageous to 5 = Very disadvantageous. Table 6 below presents the mean

scores of local authority official responses regarding the impact of tourism development on different areas in Gilgit Baltistan region. Almost all of the official stated that tourism development is advantageous for local enterprises, the region’s economy and local government’s income and for employment of local people. However, authorities considered tourism development as disadvantageous for environment, social life and culture. It has been observed at many tourists does not respect the local environment, social values and cultural practices of the area which causes negative consequences for tourism destinations.

Table 4. 7: Authorities’ perception of tourism development

Impact areas	Mean*
Enterprises	1.6
The region's economy	1.4
Local government's income	2.6
Employment	1.4
Environment	4
Social life	3.4
Culture	3.6

* 1 = Very advantageous to 5 = Very disadvantageous

In addition, local authorities were asked to indicate the composition of locally and non-locally owned tourism businesses. Since the authorities had not the exact data of tourism business in the region, therefore they indicated the percentage of it. The summary of the authorities responses are given in table 4.8. Not surprisingly, all officials indicated that (80%) of tourists shops are local and 20% are non-local. One official indicated that 95% of the accommodation establishments in the region are locally owned while another indicated 70% are locally owned. Regarding hotels/restaurants/cafes one official argued that 60% of these establishments are locally owned and others indicated above 70% of the

establishments are locally owned. Similarly, one official argued that 60% of rental car services are locally owned, another indicated 50% while two authorities indicated that almost 90% of rental car services are locally owned. In the same manner, three officials said that 60% of travel agencies working in the region are locally owned while one official indicated that 90% of these are provided by local people. This indicates that non-local investors are also developing their businesses in tourism industry of Gilgit Baltistan because of its increasing potential for high growth in future. These findings are consistent with the literature that under imperfect market conditions expatriates (non-local people) usually starts investing in tourism businesses to acquire the generous benefits of the industry, assessing the prevailing conditions for higher earnings (Radovic et al., 2018). Another reason for increasing share of non-local investors in these tourism businesses is the lack of sufficient funds in the hands of local people due to limited capital resources.

Table 4. 8: Composition of businesses

Tourism businesses	Tourism Directorate GB		AD Tourism GB		AC Hunza		AC Nagar		SP Office GB	
	Local	Non-local	Local	Non-local	Local	Non-local	Local	Non-local	Local	Non-local
Accommodation establishments	70%	30%	90%	10%	95%	5%	80%	20%	80%	20%
Hotels/Restaurants/Cafes	60%	40%	90%	10%	90%	10%	70%	30%	70%	30%
Rent a car services	60%	40%	90%	10%	90%	10%	60%	40%	50%	50%
Travel Agencies	60%	40%	90%	10%	60%	10%	70%	30%	60%	40%
Tourists Shops	80%	20%	95%	5%	95%	5%	95%	5%	80%	20%

In order to improve the local economy, authorities were asked to indicate their level of agreement with various suggestions regarding tourism promotion on scale of 1 to 5 where: 1 = completely agree to 5 = completely disagree. Almost all of the authorities agreed to the suggestions as presented in *figure 4.14*. All the authorities completely agreed to encourage international tourists to visit Gilgit Baltistan. Similarly, local authorities were also in complete favor of encouraging higher number of tourists to visit GB. In the same manner, 60% of the officials were completely agreed to encourage tourists to visit GB outside the main summer season while other officials also agreed to this statement. Around 80% of the officials agreed to the statement that encouraging higher spending tourists will improve the local economy.

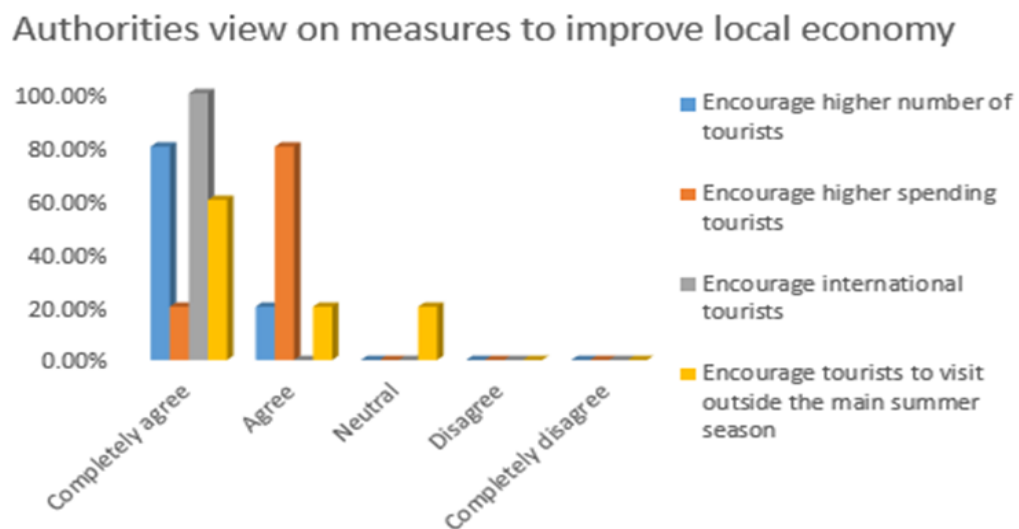


Figure 4. 15: Authorities view to promote local economy

Local authorities were also asked to specify any improvements to existing facilities or any additional facility for tourists they would like to make by public sector. Most of the officials argued that public sector should invest in infrastructure and human resource development. One official said that “Accommodation facilities should be enhanced by constructing 5-star hotels. Road infrastructure should be upgraded and air service should be opened for all companies”. Another official said “Infrastructure

development is necessary to promote tourism and marketing strategies are required to attract tourists”. Similarly, one official argued that construction of tourist facilities at public spots and construction of parks and rehabilitation of historical and cultural places is necessary to enhance services for tourists visiting to GB.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

This study presented the perspective of three important stakeholders of tourism industry: the entrepreneurs (those related to accommodation facilities), tourists and local community regarding tourism industry in Gilgit Baltistan region. The survey concluded that there exists a strong connection between tourism industry and its stakeholders, thus the role of each stakeholder is important in laying the foundation for sustainable tourism development. The sense of cooperative attitude and collaboration among the major stakeholders of the industry can only achieve the objectives of sustainable tourism development in the region. In contrast, the diversion of goals among these stakeholders may result into an unbalanced economic growth and employment distribution in the region. Resultantly, tourism industry would become more like a panacea for all social and economic problems in the region than a source of economic development (Getz, 1981).

The characteristics of tourism businesses revealed the fact that socio-economic profile of local entrepreneurs is quite weak with respect to their income-expenditure profile and competitive tourism industry. The argument can be supported with the findings of this research that diversification of businesses in the region is limited as majority of them are based on personal saving and privately owned. Therefore, entrepreneurs are less attracted towards non institutional financing of their businesses. The major difficulties in limited usage of institutional financing for business development are found to be high risks, scarce credit facilities, limited financial knowledge and complex procedures of financial institutions. In the same manner, business specific issues on the other hand are limiting their performance. Seasonality of the business activity, lack of funds for investment, lack of trained staff and access to finance, limited information and knowledge were found to be the major obstacles for entrepreneurs. Additionally, unstable economic conditions and growing competition among businesses

were limiting factors for business activity. This divergent trend calls for business-centric economic policies, which could provide better incentives for local entrepreneurs to expedite the development process. At the practical level, public and private organizations through formal collaboration may develop an efficient environment for local entrepreneurs to run their activities smoothly. On the other hand, businesses should focus on making their services competitive through providing training to their employees in order to develop an exceptional tourists-business relationship. Owners/managers should invest in capacity building of their staff so that they could deliver better services for tourists. Beside the above mentioned problems for entrepreneurs, owners reported that seasonality is the major problem for their business activity. As the winter season is considered to be the off season for such businesses. During this season owners had to shut down their businesses as the tourists inflow into the region nearly stops after the month of November till April. Additionally, the fact that a large share of business income goes to the provision of essential services reported by a substantial number of entrepreneurs as the region is severally facing the power shortage problem during winter season. In the absence of electricity, businesses generally use fuel generators to compensate for power shortages which in turn have a bad impact on the environment, besides incurring huge costs for the businesses. Responsible authorities should devise permanent solution for power shortages so that the industry could flourish in this region. According to the estimates of GB government, GB region has the capacity to generate 20,000 megawatts of hydropower if its water resources are utilized properly. Yet, due to the lack of infrastructure for generation of hydroelectricity majority of the businesses have to use alternative resources which exerts additional financial burden on such businesses. As the study found that the role of finance is more important when it is related to entrepreneurial activities e.g. tourism businesses. Such problems are usually faced by entrepreneurs operating in rural areas, because in such areas financial system is either less developed or the existing funding facilities are limited and insufficient. Hence, in novative and

additional sources of funding becomes essential for the sustainable development of tourism in these areas. Literature offers below possible modalities for financing the rural tourism businesses:

Microcredit Organization: The non-bank credit institutions e.g. savings and credit cooperative and micro finance institutions can be an important source of funding for rural tourism (Šoškić, 2017). The same author believes that these organizations can actively involve in financing the development of rural tourism, due to the fact that they have an important role in supporting the entrepreneurial development and self-employment of the population that have no access to conventional banking system. In addition, these organizations can play supporting role for those have a vision for tourism development but reluctant due to the fact that they don't have sufficient resources for investment. These organizations can invest in construction of accommodation facilities, development of restaurants and tourist attractions.

Joint Ventures: Joint Venture is a specific form of foreign direct investment with the owner of the capital not acting independently, but in cooperation with the local partner (Andric et al., 2005). The significance of joint ventures is that the funds are obtained from foreign partner without the cost of financing and assets are obtained without the purchase, which is a favorable for balance of payments. Since, it is formed through the partnership, therefore profits and losses are shared among partners in proportion to the invested funds. The role of the partners are defined by the contract and its validity can be linked to the initial investment and remains until it is refunded from profits of the joint work.

Business Angels: Business Angles are non-institutional private investors who invest in entrepreneurial firms, in the initial stage of their development. These investors typically have professional experience and have free financial resources, so they usually want to invest in start-up businesses (Eric et al., 2012). Financing through this method can be implemented in order to develop small and medium enterprises in the field of rural tourism. It is particularly suitable for newly established micro enterprises, which do not have credit history. It is adequate for all segments of rural tourism

including the construction of accommodation facilities, development of restaurants and hotels and other tourist attractions, training and development of staff and leaders as well as financing for promotion.

Public- Private Partnership (PPP): Public private partnership is a method that connects the interest of private, public and civil sector in meeting the specific needs to increase the quality and availability of services and products (Peric et al., 2006). The same authors states that this method of financing is used for the purpose for which the public sector does not have enough interest to invest funds individually. Therefore, the most common use is in financing the construction or reconstruction of transportation or utility infrastructure. This method of financing could be one of the best methods of financing for rural tourism development.

Specialized Agriculture Banks (SABs): Establishment of specialized agriculture banks is necessary not only for agriculture development but also for non-agriculture activities, i.e. rural tourism in the context of agriculture holdings. SAB's should be developed such that it can provide low interest bearing loans and other favorable conditions of lending. For that purpose it requires provision of specific structured funds, with the support of the state and state should have a crucial role in the making of policies regarding the loans, which would be in line with economic, social and strategic objectives related to rural tourism development. These specialized loans can be a significant source of funding for business development and these loans can be utilized to enhance the tourism facilities, educating the masses and developing the tourist services through the development of organic foods related to tourism sector.

As the study found that hotel industry in Gilgit Baltistan has witnessed tremendous growth due to large tourist inflows. This growth trajectory has been facilitated by improved political and economic conditions in the country after a long unrest due to war on terror since 2001. Due to improved socio-economic environment many local and non-local investors has started investing in tourism industry,

thus construction of many accommodations establishments has significantly increased in the region. Although, there are still many opportunities for local residents to invest in tourism businesses but the trend of unplanned growth has created many concerns for local community especially environment. Many visitors and local people has shown concerns regarding too much constructions in most scenic points. Due to the absence of zoning laws investors do not comply with environmental guidelines while constructing the hotels and other accommodation establishments. Consequently, this leads to the destruction of natural environment and reduces the attractiveness of destinations. Moreover, lack of solid waste management at touristic points, improper drainage system in urbanized areas, noise and traffic jams are the leading negative implications of tourism development. While on the other hand economic growth of Gilgit Baltistan region is associated with tourism industry (Arshad et al., 2018; Baloch, 2007).

In addition, the analysis of tourists' perception regarding destination features and travel experience revealed that tourists were unsatisfied with majority of services offered at local accommodation establishments. Similarly, lack of opportunities to engage with local community, limited local products and variety of cuisines were the most dissatisfied features of destination for tourists. Similarly, tourists reported concerns regarding roads condition, telecommunication services and local transportation services. Authorities responsible for tourism planning should take initiatives and develop training institutes in order to train the local workforce which would be an effective way to improve the quality of services and to build better service satisfaction for tourists. Accessibility towards GB has improved due to CPEC, yet road condition in some parts of Chilas and Kohistan are still improvable. Thus, practical measures are requires to improve the image of destination in order to attract more visitors towards GB region. Because many international tourists has considered GB as the heaven for mountaineers but the number of tourists in these mountain areas are relatively low due to lack of touristic facilities (Groetzbach, 1989).

The findings of the research regarding the role of local community for sustainable tourism development were consistent with the previous studies that focuses on community involvement in tourism industry. The local people were not actively participating in tourism planning as they were asked about their involvement in tourism planning majority of them disagreed or denied to involve in any such policy. From the perspective of sustainable tourism development involvement of local community is very important as the centrality of indigenous communities for sustainability has been proven by studies e.g. Goeldner and Ritchie (2005). These findings demonstrate the need for a more versatile and resident-oriented tourism planning, because residents' expectations of economic, cultural and environmental impacts contribute to higher support for sustainable tourism development as indicated by (Stylidis, 2014). Therefore, future planning should incorporate the perspective of local community which is critical for successful and sustainable tourism industry. Hence, authorities responsible for tourism planning should take all necessary steps to mitigate the negative aspects of tourism development and devised policies based on the guidelines of sustainable tourism to improve the destination image for tourism activities.

The overall perception of local authorities regarding tourism development were found to be supportive, as the conclusion drawn from responses is that local authorities perceive tourism as having positive impacts for local economy, governments' income and employment, besides having somewhat positive impact on social life and culture and most negative impacts on environment. Though, local authorities admired the potential of the region for tourism activities and were supporting the policies to attract more tourists' especially foreign tourists to visit Gilgit Baltistan. Finally, local authorities were asked to specify the most essential steps they would have taken if they were responsible for planning tourism development in Gilgit Baltistan region for next five years. The common themes were identified from the analysis of local authorities' responses. Thus, the collective involvement of all stakeholders in the sustainability achievement process has been identified as the most relevant and important instrument

for sustainable development. The major partners in the process are the local government and their subordinate organizations, the private sector, civil society and the host communities. In this context, a small set of recommendations for increasing awareness of the country as an honorable touristic destination were established after achieving the main objective of the research to highlight the possibilities and benefits that tourism can provide for the regional sustainable growth, taking into account the fact that tourists have higher levels of awareness. Following are the main policy recommendations in this regard.

- Construction of tourist information centers.
- Development and implementation of zoning laws for tourism constructions to reduce the degradation of natural environment in the region.
- Enhancement of cooperation among all stakeholders involved (Development of partnerships locally, nationally and regionally)
- Improvement of infrastructure towards the region by constructing Gilgit-Shouner road and Gilgit-Chitral express way alternative to KKH and opening of Chines border immigration system.
- Improving the technical capabilities of workforce involved in the tourism services industry.
- Law enforcement regarding safety of tourists and measures to control prices.
- Measures for destination development through better marketing strategies.
- Measures to improve air transport services by allowing all private companies to operate in the region.
- Measures to promote GB as a peaceful tourism destination.
- Organizing seminars and regular meetings with local communities, in order to educate them for interaction with tourists.

Finally, the overall findings of this study show that entrepreneurial development is regarded as a possible strategy for addressing the issues in tourism industry of Gilgit Baltistan. While, the obstacles discussed previously, impede entrepreneurial activities in the region. The main conclusion of this study for a sustainable entrepreneurship and tourism development relies on the preconditions of understanding entrepreneurship and enabling environment and culture. This can be achieved through motivating entrepreneurs by providing support in form of incentives or financial assistance, education and training. These factors can assist entrepreneurs in the initial stages of their business and can aid in the creation of distinct tourism goods and services, therefore contributing to the development of sustainable tourism. Besides developing tourism infrastructure integration of all stakeholders especially local community and entrepreneurs at all levels is necessary. Which in turn will enhance the entrepreneurial culture and contribute to the development of sustainable tourism while developing positive attitudes toward entrepreneurship.

LIMITATIONS

The study concluded with fascinating findings, yet there are few limitations need to be considered, particularly in terms of interpretations and generalization of the results. The use of purposive sampling method means that the findings of this study are restricted to the sample respondents, thus cannot be regarded as the overall opinion of the stakeholders. In the same manner, the choice of three districts among other ten districts of Gilgit Baltistan was limited by time and cost constraints, but other districts/regions of Gilgit Baltistan are equally important for tourism activities. Similarly, our analysis for tourists' perspective was based on a relatively smaller sample size as the majority of tourism destination were closed due to COVID-19 pandemic which caused travel restrictions around the globe. Therefore, the future studies could use different research methodologies with a larger sample size to make findings more applicable. Moreover, our respondents for tourism businesses were limited to accommodation sector and the majority of the tourists interviewed were domestic visitors. It is recommended for future researcher to incorporate the perspective of other sectors of tourism industry as they are equally important for tourism development. Additionally, larger sample taken from tourists belonging to other regions, cultures and life styles could be an interesting addition.

REFERENCES

- Ahmed, M., & Anwar, M. A. (2016). The nexus between terrorism, infrastructure and tourism industry in Pakistan. *International Journal of Economics and Empirical Research*, 4(1), 25-31.
- Ahmed, M., & Anwar, M. A. (2016). The nexus between terrorism, infrastructure and tourism industry in Pakistan. *International Journal of Economics and Empirical Research*, 4(1), 25-31.
- Ahmed, R., & Mahmood, K. (2017). Tourism potential and constraints: an analysis of tourist spatial attributes in Pakistan. *Pakistan Perspectives*, 22(2).
- Alasttal, M. N. M., & Burdey, M. B. (2017). An Exploratory Analysis of Pakistan Tourism Market: Its Present Scenario, Issues, Challenges and Future Prospects. *Grassroots*, 50(3).
- Ali, A. (2010). Economic cost of terrorism. *Strategic Studies*, 30(1/2), 157-170.
- Arshad, M. I., Iqbal, M. A., & Shahbaz, M. (2018). Pakistan tourism industry and challenges: a review. *Asia Pacific Journal of Tourism Research*, 23(2), 121-132.
- Ardahaey, F. T. (2011). Economic Impacts of Tourism Industry. *International Journal of Business and Management*, 206-215
- Ashley, C., Boyd, C., & Goodwin, H. (2000). Pro-poor tourism: Putting poverty at the heart of the tourism agenda.
- Aslan, A. (2016). Does tourism cause growth? Evidence from Turkey. *Current Issues in Tourism*, 19(12), 1176-1184.
- Ateljevic, J., & Page, S. J. (Eds.). (2017). *Tourism and entrepreneurship*. Routledge.
- Baig, S., & Hussain, H. (2020). Do shocks have permanent or transitory effects on tourist inflow? An application of stationarity test with structural breaks: evidence reexamined for Gilgit-Baltistan, Pakistan. *Asia Pacific Journal of Tourism Research*, 25(2), 120-130.
- Baloch, Q. B. (2007). Managing tourism in Pakistan: A case study of Chitral valley. *Journal of Managerial Sciences*, 2(2), 169-190.

- Bankole, A. S. (2002). The Nigerian tourism sector: Contribution, constraints, and opportunities. *The Journal of Hospitality Financial Management*, 10(1), 71-89.
- Beeton, S. (2002). Entrepreneurship in rural tourism? Australian landcare programs as a destination marketing tool. *Journal of Travel Research*, 41(2), 206-209.
- Bramwell, B., Richards, G., Henry, I., Jackson, G., van der Straaten, J., van't Zelfde, J., & Evans, Brau, R., Lanza, A., & Pigliaru, F. (2003). How fast are the tourism countries growing? The cross-country evidence.
- Briassoulis, H., & Van Der Straaten, J. (Eds.). (2013). *Tourism and the environment: regional, economic, cultural and policy issues* (Vol. 6). Springer Science & Business Media.
- Brida, J. G., & Risso, W. A. (2009). Tourism as a factor of long-run economic growth: An empirical analysis for Chile. *European Journal of Tourism Research*, 2(2).
- Butler, R., & Clark, G. (1992). Tourism in rural areas: Canada and the United Kingdom. *Tourism in rural areas: Canada and the United Kingdom.*, 166-183.
- Çelik, A. K., Özcan, S., Topcuoğlu, A., & Yildirim, K. E. (2013). Effects of the tourism industry on the balance of payments deficit. *Anatolia*, 24(1), 86-90.
- Christie, I. T., & Crompton, D. E. (2001). *Tourism in Africa*. Washington, DC: World Bank. De Vita, G., & Kyaw, K. S. (2016). Tourism development and growth.
- D. M. (1996). SUSTAINABLE TOURISM MAGEMENT: PRINCIPLES AND PRACTICE.
- Eccles, G., & Costa, J. (1996). Perspectives on tourism development. *International Journal of Contemporary Hospitality Management*.
- Echtner, C. M. (1995). Entrepreneurial training in developing countries. *Annals of tourism research*, 22(1), 119-134.
- Eugenio-Martin, J. L., Martín Morales, N., & Scarpa, R. (2004). Tourism and economic growth in Latin American countries: A panel data approach.

Fennell, D. A., & Butler, R. W. (2003). A human ecological approach to tourism interactions. *International Journal of Tourism Research*, 5(3), 197-210.

Goodrich, J. N. (2002). September 11, 2001 attack on America: a record of the immediate impacts and reactions in the USA travel and tourism industry. *Tourism Management*, 23(6), 573-580.

Goodwin, H. (2009). Reflections on 10 years of pro-poor tourism. *Journal of Policy Research in Tourism, Leisure and Events*, 1(1), 90-94.

Green, C. J., Kirkpatrick, C. H., & Murinde, V. (2006). Finance for small enterprise growth and poverty reduction in developing countries. *Journal of International Development: The Journal of the Development Studies Association*, 18(7), 1017-1030.

Hall, J. K., Daneke, G. A., & Lenox, M. J. (2010). Sustainable development and entrepreneurship: Past contributions and future directions. *Journal of Business Venturing*, 25(5), 439-448.

Haya, C. C. (2005). *Tourism, Microfinance and Poverty Alleviation*.

Hébert, R. F., & Link, A. N. (1989). In search of the meaning of entrepreneurship. *Small business economics*, 1(1), 39-49.

<http://www.gilgitbaltistan.gov.pk/DownloadFiles/InvestmentPotential/HydroEnergy.pdf>

<https://dailytimes.com.pk/535521/pakistan-is-on-forbes-list-of-best-under-the-radar-places-to-visit-in-2020/>

<https://www.brecorder.com/2019/12/14/553241/pakistan-makes-it-to-first-place-on-best-holiday-destinations-for-2020-list/>

<https://www.doingbusiness.org/en/data/exploreconomies/pakistan>

<https://www.unwto.org/publication/unwto-world-tourism-barometer-and-statistical-annex-may-2019>

Ilyas, U., Tariq, S., & Zafar, F. (2017). Tourism towards economic growth of Pakistan. *Bulletin of Business and Economics (BBE)*, 6(2), 92-97.

Israr, M., Shafi, M. M., Ahmad, N., Khan, N., Baig, S., & Khan, Z. H. (2009). Eco tourism in Northern Pakistan and challenges perspective of stakeholders. *Sarhad J. Agric*, 25(1), 113-120.

- Khalil, S., Kakar, M. K., & Malik, A. (2007). Role of tourism in economic growth: Empirical evidence from Pakistan economy [with comments]. *The Pakistan Development Review*, 985-995.
- Khan, R. E. A., & Rasheed, M. K. (2016). Political economy of tourism in Pakistan: The role of terrorism and infrastructure development. *Asian Development Policy Review*, 4(2), 42-50.
- Kimura, H. (2011). "Tourism, sustainable tourism and ecotourism in developing countries". ANDA International Conference in Nagoya. pp.:1-18
- Kokkranikal, J., & Morrison, A. (2002). Entrepreneurship and sustainable tourism: The houseboats of Kerala. *Tourism and Hospitality Research*, 4(1), 7-20.
- Kreutzmann, H. E. R. M. A. N. N. (1996). Tourism in the Hindukush-Karakoram: a case study on the valley of Hunza (Northern Areas of Pakistan). In *Proceedings of the Second International Hindukush Cultural Conference* (pp. 427-437).
- Lee, C. C., & Chang, C. P. (2008). Tourism development and economic growth: A closer look at panels. *Tourism management*, 29(1), 180-192.
- Lordkipanidze, M. (2002). Enhancing entrepreneurship in rural tourism for sustainable regional development. The case of Söderslätt region, Sweden, the International Institute for Industrial Environmental Economics, IIIIEE, Lund University, 73-80.
- Lordkipanidze, M., Brezet, H., & Backman, M. (2005). The entrepreneurship factor in sustainable tourism development. *Journal of cleaner production*, 13(8), 787-798.
- Malik, S., Chaudhry, I. S., Sheikh, M. R., & Farooqi, F. S. (2010). Tourism, economic growth and current account deficit in Pakistan: Evidence from co-integration and causal analysis. *European Journal of Economics, Finance and Administrative Sciences*, 22, 21-31.
- McGehee, N. G., & Kim, K. (2004). Motivation for agri-tourism entrepreneurship. *Journal of travel research*, 43(2), 161-170.
- McKercher, B. (1993). Some fundamental truths about tourism: Understanding tourism's social and environmental impacts. *Journal of sustainable tourism*, 1(1), 6-16.

- Meyer, N., & Meyer, D. F. (2017). An econometric analysis of entrepreneurial activity, economic growth and employment: The case of the BRICS countries. *Journal of Economic & Management Perspectives*, 11(2), 429-441.
- Mitchell, G. E. (1992). *Ecotourism Guiding: How to Start your Career as an Ecotourism Guide*, np: GE Mitchell.
- Naudé, W. (2013). *Entrepreneurship and economic development: Theory, evidence and policy. Evidence and Policy. IZA Discussion Paper, (7507)*.
- Nongsiej, P., & Shimray, S. R. (2017, March). The role of entrepreneurship in tourism industry: An overview. In *National Seminar on Entrepreneurial Opportunities for Educated Youth in Global Business (Vol. 8)*.
- Ohlan, R. (2017). The relationship between tourism, financial development and economic growth in India. *Future Business Journal*, 3(1), 9-22.
- Parker, S. C. (2004) *The Economics of Self-Employment and Entrepreneurship*. Cambridge University Press, New York.
- Phiri, A. C. (2016). Tourism and economic growth in South Africa: Evidence from linear and nonlinear cointegration frameworks.
- Radović, G., Košić, K., & Demirović, D. (2018). FINANCING AS A KEY FACTOR OF SUSTAINABLE RURAL TOURISM DEVELOPMENT IN THE REPUBLIC OF SERBIA. *Economics of Agriculture*, 65(1), 413-426.
- Rana, G., & Kumar, A. (2019). A Review of Economic Impacts of Tourism Industry on Growth of Indian Economy. *Journal of Modern Management & Entrepreneurship*, 9(03), 104-112.
- Safaeva, S. R., Ishankhodjaeva, D. A., Juraeva, N. A., & Matyunina, O. E. (2019). Economic and Legal Aspects of Tourism Regulation in the New Economy: International Practice. *Journal of Environmental Management and Tourism*, 2(34), 460-465.
- Samimi, A. J., Sadeghi, S., & Sadeghi, S. (2011). Tourism and economic growth in developing countries: P-VAR approach. *Middle-East Journal of Scientific Research*, 10(1), 28-32.

Sanchez Carrera, E. J., Brida, J. G., & Risso, W. A. (2008). Tourism's impact on long-run Mexican economic growth. *Economics Bulletin*, 23(21), 1-8.

Stylidis, D., Biran, A., Sit, J., & Szivas, E. M. (2014). Residents' support for tourism development: The role of residents' place image and perceived tourism impacts. *Tourism management*, 45, 260-274.

Sutawa, G. K. (2012). Issues on Bali tourism development and community empowerment to support sustainable tourism development. *Procedia economics and finance*, 4(1), 413-422.

Tahiri, A., & Kovaci, I. (2017). The theory of sustainable Tourism Development. *Academic Journal of Business*, 3(1), 343-349.

Taylor, F. F. (1973). The tourist industry in Jamaica, 1919 to 1939. *Social and Economic Studies*, 205-228.

Tosun, C. (1998). Roots of unsustainable tourism development at the local level: The case of Urgup in Turkey. *Tourism management*, 19(6), 595-610.

Tucker, H. (2020). Coronavirus bankruptcy tracker: These major companies are failing amid the shutdown. [Forbeshttps://www.forbes.com/sites/hanktucker/2020/05/03/coronavirus-bankruptcy-tracker-these-major-companies-are-failing-amid-theshutdown/#5649f95d3425](https://www.forbes.com/sites/hanktucker/2020/05/03/coronavirus-bankruptcy-tracker-these-major-companies-are-failing-amid-theshutdown/#5649f95d3425)

UNWTO. (2019). International tourism highlights.

Us Saqib, N., Yaqub, A., Amin, G., Khan, I., Ajab, H., Zeb, I., & Ahmad, D. (2019). The impact of tourism on local communities and their environment in Gilgit Baltistan, Pakistan: a local community perspective. *Environmental & Socio-economic Studies*, 7(3), 24-37.

Weaver, D. (2011). Can sustainable tourism survive climate change? *Journal of sustainable Tourism*, 19(1), 5-15.

Wray, M., Dredge, D., Cox, C., Bultjens, J., Hollick, M., Lee, D., & Lacroix, C. (2010). Sustainable regional tourism destinations: Best practice for management, development and marketing. CRC for Sustainable Tourism, Griffith University, Gold Coast.

World Tourism Organization (2019), International Tourism Highlights, 2019 Edition, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284421152>

Zamani-Farahani, H. (2011). Home stay: A rural tourism entrepreneurship business. *Tourism Analysis*, 16(5), 525-533.

APPENDIX A

District and Tehsil Boundaries of Gilgit Baltistan



Map of Gilgit Baltistan

APPENDIX B

Questionnaires

B.1 Local authorities questionnaire

A1. Please rate the following statements on the impacts of tourism in each of the following areas on the scale of: (1= Very advantageous, 2= Advantageous, 3= Neutral, 4= Disadvantageous, 5= Very Disadvantageous)

	1	2	3	4	5
Enterprises	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The region's economy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Local government's income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social life	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Culture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

A2. How many staff in your authority are involved in tourism?

	Permanent		Temporary		Total
	Male	Female	Male	Female	
a) Direct					
b) Indirect					

A3. What is the general attitude of local people towards tourism development?

A4. Do you think that tourism in Gilgit Baltistan, over the last decade, has attracted workers from other industries? (Please elaborate) _____

A5. Are you aware of any labor shortages e.g. skilled or unskilled in the tourism industry of Gilgit Baltistan?

<input type="radio"/> Yes	<input type="radio"/> No
If YES please specify what kind of labor _____	

A6. What is the percentage of locally and non-locally owned tourism businesses?

Type of businesses	Local owned businesses	Non local owned businesses
Accommodation establishments		
Hotel/Restaurants/Cafes		
Rent a car services		
Travel agencies		
Tourist Shops		

A7. What do you think the authorities should do in the future in order to improve the local economy? Please rate the following on the scale of: (1= Completely Agree, 2= Agree, 3= Neither Agree nor Disagree, 4= Disagree, 5= Completely Disagree)

	1	2	3	4	5
Encourage higher number of tourists	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Encourage higher spending tourists	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Encourage international tourists	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Encourage tourists to visit Gilgit Baltistan outside the main summer season	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

A8. What improvements to existing facilities for tourists to Gilgit Baltistan, or any additional facilities, would you like the public sector to make? Please specify which body of the public sector?

A9. If you were responsible for planning the tourism development of Gilgit Baltistan the next five years, what would you consider to be the most essential step?

A10. Please feel free to make any comments.

B.2 Questionnaire for tourism businesses

B1. Name of the Firm(Business): _____

B2. Year of Establishment: _____

B3. Type of Business:

<input type="radio"/> Hotel/Motel/Inn	<input type="radio"/> Guest House	<input type="radio"/> Paying Guest House
<input type="radio"/> Bread and Breakfast	<input type="radio"/> Other(

B4. Ownership pattern:

<input type="radio"/> Proprietorship Firm	<input type="radio"/> Partnership Firm	<input type="radio"/> Private Limited
<input type="radio"/> Cooperative Society	<input type="radio"/> Limited Company	<input type="radio"/> Government unit

B5. What were the main sources of capital used to buy or construct your property and to set up?

<input type="radio"/> Own saving	<input type="radio"/> Inheritance	<input type="radio"/> Bank loan
<input type="radio"/> Private loan	<input type="radio"/> Mortgage	<input type="radio"/> Other(

B6. How would you describe your business?

<input type="radio"/> Start-up stage	<input type="radio"/> Pre-profit	<input type="radio"/> Profitable and growing
<input type="radio"/> Established and growing	<input type="radio"/> Established and stable	<input type="radio"/> Established but stressed

B7. I would like to ask you the sources of your income. What are the main sources of your rental income?

<input type="radio"/> Foreign tourists	<input type="radio"/> Local tourists
<input type="radio"/> Government guests	<input type="radio"/> Other sources

B8. How much did you spend in terms of capital investment when you started your business?

Amount:

B9. What kind of services are you providing to tourists/guests?

.....

B10. Number of employees and positions:

	Male	Female	Total
Managerial Staff			
Non-managerial Staff			
Skilled/Semi-skilled			
Unskilled			

B11. What number of guests does your business accommodate?

- Rooms.....
- Beds.....
- Others.....

B12. What is the average income you earn from your business activities in one season/year?

- Up to 50 000 Rupees
- 50,000 to 100,000 Rupees
- 100,000 to 1 Million Rupees
- 1 to 5 Million Rupees
- 5 to 10 Million Rupees
- Above 10 Million

B13. What are the most important challenges your business is facing? -Multiple choices reply- (compulsory)

- Lack of available funds for investment
- Lack of information and know-how
- Lack of trained staff
- Company size
- Increased competition
- Big inflation
- Environmental challenges
- Others

B14. Is your business opened all year round or seasonally only?

<input type="radio"/> All year	<input type="radio"/> Seasonal
If its Seasonal please specify the number of months.....	

B15. Have you ever been in a situation when the demand for your services were high and you could not provide?

<input type="radio"/> Yes	<input type="radio"/> No
If yes, please specify how many times and when	

B16. Which months of the year do you have highest and lowest room occupancy rate?

Highest rate months	Lowest rate months
---------------------	--------------------

--	--

B17. How would you rate the criteria below in their importance for the consumption decision of your guests?

(Please choose one option)

	Very important	Important	Neutral	Less important	Unimportant
Quality of service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Value for money	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmental consideration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social consideration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Safety/security issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

B18. Have you noticed among your guests/clients any changes in their consumption patterns in the last six months?

<input type="radio"/> Yes	<input type="radio"/> No
If Yes: Of which nature? (Maximum 2 choices)	
<input type="radio"/> Clients became more price conscious	
<input type="radio"/> Clients were spending less money	
<input type="radio"/> Clients became more quality conscious	
<input type="radio"/> Clients were spending more money	
<input type="radio"/> Clients became less quality conscious	
<input type="radio"/> Clients became less price conscious	

B19. Does your business face any impacts due to the current economic situation? -Single choice reply

<input type="radio"/> Yes	<input type="radio"/> No
If Yes: Of which nature? (Maximum 2 choices)	
<input type="radio"/> Increased overall costs	
<input type="radio"/> Higher production costs	
<input type="radio"/> Additional financial burden	
<input type="radio"/> Reduced access to finance	
<input type="radio"/> Increased purchase costs	
<input type="radio"/> Higher labor costs	
<input type="radio"/> Others	

20. Have you already undertaken major actions in order to be able to address impacts of the current economic situation? -Single choice reply- (compulsory)

<input type="radio"/> Yes	<input type="radio"/> No
---------------------------	--------------------------

If Yes: Of which nature? (Maximum 2 choices)
<input type="radio"/> Cut costs <input type="radio"/> Postpone investments <input type="radio"/> Reduce labor force <input type="radio"/> Others

B21. Which additional support or action would you consider most important to be taken at local to improve business environment? Multiple choices reply- (compulsory)

<input type="radio"/> Measures to strengthen demand
<input type="radio"/> Measures to encourage investments and innovation
<input type="radio"/> Measures to overcome seasonality in demand
<input type="radio"/> Promotion of best-practices
<input type="radio"/> Producing and sharing knowledge between businesses
<input type="radio"/> Others
<input type="radio"/> Don't know

B22. What is your business outlook for 2009? -Single choice reply- (compulsory)

<input type="radio"/> Negative
<input type="radio"/> Positive
<input type="radio"/> Don't know
<input type="radio"/> Very negative
<input type="radio"/> Very positive

Feel free to make any comment

B.3 Questionnaires for tourists

T1. Nationality

T2. Gender (a) Male (b) Female

T3. What is your age?

<input type="radio"/> > 25 years	<input type="radio"/> 25 - 34 years	<input type="radio"/> 35 – 44 years
<input type="radio"/> 45 – 54 years	<input type="radio"/> 55 – 64 years	<input type="radio"/> < 65 years

T4. What is the highest level of education that you completed?

<input type="radio"/> Grade School/Primary School	<input type="radio"/> High School
<input type="radio"/> Vocational/Trade/Technical School, College or Institute	<input type="radio"/> University graduate
<input type="radio"/> University Postgraduate	<input type="radio"/> Other.....

T5. Who are you traveling with?

<input type="radio"/> Family	<input type="radio"/> Friends	<input type="radio"/> Alone
<input type="radio"/> Coworkers	<input type="radio"/> Others	

T6. How did you come to know about this area? (Tick all that apply)

<input type="radio"/> Tour operator	<input type="radio"/> Internet	<input type="radio"/> TV
<input type="radio"/> Hotel/guesthouses	<input type="radio"/> Newspaper	<input type="radio"/> Travel magazine/brochure
<input type="radio"/> Friends	<input type="radio"/> Guidebook	<input type="radio"/> Other.....

T7. Name of travel agency you have used to book your trip, if any:

T8. How many times have you come to Gilgit Baltistan as a tourist?

T9. What was the main method of transport used to travel to this area?

<input type="radio"/> Air transport	<input type="radio"/> Bus or coach	<input type="radio"/> Rent a car
<input type="radio"/> Motorcycle	<input type="radio"/> Bicycle	<input type="radio"/> Own car

T10. On average how many days/nights you spend during your trip to Gilgit Baltistan?

Total days of trip	Gilgit	Hunza	Nagar	Ghizer	Other

T11. Please highlight the famous places you have visited during your trip.

District	Famous places			
Gilgit	<input type="radio"/> Bagrote valley	<input type="radio"/> Danyore valley	<input type="radio"/> Kargah valley	<input type="radio"/> Naltar valley
Ghizer	<input type="radio"/> Khalti valley	<input type="radio"/> Phandar valley	<input type="radio"/> Hundarap valley	<input type="radio"/> Langar valley
Nagar	<input type="radio"/> Chaprote valley	<input type="radio"/> Hoper valley	<input type="radio"/> Rakaposhi view point	
Hunza	<input type="radio"/> Duiker valley	<input type="radio"/> Attabad valley	<input type="radio"/> Passu valley	<input type="radio"/> Gulmit valley

T12. During your stay, what is the main type of accommodation used?

<input type="radio"/> Hotel/Motel/Inn	<input type="radio"/> Guesthouse	<input type="radio"/> Bread and breakfast/Farm house
<input type="radio"/> Camping	<input type="radio"/> Homes of friends or relatives	<input type="radio"/> Other(

T13. How would you rate the quality of your accommodation?

<input type="radio"/> Excellent	<input type="radio"/> Good	<input type="radio"/> Average
<input type="radio"/> Poor	<input type="radio"/> Very poor	

T14. Please rate the quality of following services on a scale of 1 (Unsatisfied), to 5 (Very satisfied) by circling the appropriate number.

Services	Scale				
	Unsatisfied.....Very satisfied				
Quality of exhibits	1	2	3	4	5
Quality of education	1	2	3	4	5
Culinary services	1	2	3	4	5
Washrooms	1	2	3	4	5
Parking	1	2	3	4	5
Information services	1	2	3	4	5

T15. Please tell me roughly how much you have spent or will spend on yourself or on behalf of others in your group TODAY on the following:

	Activities	Amount
T15.1	Accommodation	
T15.2	Total travel costs (to and from the destination, and during the trip)	
T15.3	Food and drinks	
T15.4	Buying cloths	
T15.5	Other shopping	

T15.6	Entrance fees/ tickets	
T15.7	Hiring equipment	
T15.8	Anything else (please specify)	

T16. What are the activities which you took part in when visiting this area? (Tick all that apply)

<input type="radio"/> Visiting famous spots	<input type="radio"/> Visiting historical and cultural places
<input type="radio"/> Visiting the markets, shopping	<input type="radio"/> Visiting local communities
<input type="radio"/> Fishing	<input type="radio"/> Cycling
<input type="radio"/> Horse riding	<input type="radio"/> Guided boat tours
<input type="radio"/> Other (Please specify)	

T17. Please rate the following destination features on a scale of 1 (Very poor) to 5 (Excellent) by circling the appropriate number. (Choose one option: 1= Completely Agree, 2= Agree, 3= Neither Agree nor Disagree, 4= Disagree, 5= Completely Disagree, DK= Don't Know)

	1	2	3	4	5	DK
Cultural, historic and natural attractions are easily accessible.	1	2	3	4	5	0
Hotel and guesthouses offer good value for money.	1	2	3	4	5	0
To experience the unique environment is the main reason of my visit.	1	2	3	4	5	0
I am satisfied with the food and services offered at local hotels.	1	2	3	4	5	0
I feel safe while visiting the areas.	1	2	3	4	5	0
The local travel agencies offer good value for money.	1	2	3	4	5	0
The tour guides are good.	1	2	3	4	5	0
I have enjoyed hiking and tracking in this area.	1	2	3	4	5	0
The local handicrafts and cloths are of good quality.	1	2	3	4	5	0
There are many opportunities to engage with the local people.	1	2	3	4	5	0
The tour guides are good and helpful.	1	2	3	4	5	0
Tourism should contribute to the conservation of the region.	1	2	3	4	5	0
The local people are hospitable and welcoming.	1	2	3	4	5	0
I will recommend to my friends to visit this area.	1	2	3	4	5	0

T18. How satisfied or unsatisfied with the following? (Choose one: 1= Very unsatisfied, 2= Unsatisfied, 3= Neither Satisfied nor Unsatisfied, 4= Satisfied, 5= Very satisfied)

Roads	1	2	3	4	5
Construction of hotels and guesthouses	1	2	3	4	5
Telecommunication and internet	1	2	3	4	5

Transport services	1	2	3	4	5
Local management	1	2	3	4	5
Access to tourism information	1	2	3	4	5
Tracking routes	1	2	3	4	5
Range of tourist activities available	1	2	3	4	5
Range of local products	1	2	3	4	5
Other tourist facilities	1	2	3	4	5

T19. What are the two things which you enjoyed most in this area?

1.
2.

T20. What are the two things which you disliked most about this area?

1.
2.

Feel free to make any comment

.....

.....

.....

.....

A.4 Questionnaire for local community

C1. Status of respondent:

C2. District

C3. Village

C4. How often does tourist visit your village?

<input type="radio"/> Once a year	<input type="radio"/> Twice a year
<input type="radio"/> Thrice a year	<input type="radio"/> More than three time in a year

C5. Do you like tourist visiting your locality?

<input type="radio"/> Yes	<input type="radio"/> No
---------------------------	--------------------------

C6. When tourist visit your village, do you feel?

<input type="radio"/> Happy	<input type="radio"/> disturbed
<input type="radio"/> Embrace	<input type="radio"/> No difference

C7. What are the main reasons of visit, is it because of:

<input type="radio"/> Environmental and cultural attractions	<input type="radio"/> Handicraft
<input type="radio"/> Trekking/Hiking	<input type="radio"/> Sightseeing
<input type="radio"/> Handicraft	<input type="radio"/> Other(s)

C8. Do you think they bring good or bad influence on your way of life?

<input type="radio"/> Yes	<input type="radio"/> No
If YES, please explain what way they bring influence	

C9. In your opinion is there any benefit you get from tourism in enhancing your income?

<input type="radio"/> Yes	<input type="radio"/> No
If YES please specify how you benefit.	
<input type="radio"/> Supply of animal transport	
<input type="radio"/> Sell dairy products	
<input type="radio"/> Sell vegetables	
<input type="radio"/> Sell meat	
<input type="radio"/> Sell Village arts and crafts	
<input type="radio"/> Porter charges	
<input type="radio"/> Provide lodging	
<input type="radio"/> Meals	
<input type="radio"/> Providing Entertainment	
<input type="radio"/> Others...	

C10. What is your annual income from tourist activities listed above in the last three years?

Years	2017	2018	2019
Income			

C12. Indicate what good lessons do you learn from tourism?

<input type="radio"/> Knowledge	<input type="radio"/> Awareness
<input type="radio"/> Health and hygiene	<input type="radio"/> Other(

C13. Please rate the following statements on the scale of: (1= Completely Agree, 2= Agree, 3= Neither Agree nor Disagree, 4= Disagree, 5= Completely Disagree)

Statements	1	2	3	4	5
Attracting more tourists to the area is the good idea.					
I am in favor of developing tourism infrastructure in this area.					
There are schemes for villagers to involve in tourism planning.					
Tourism stipulates cultural activities.					
Tourism increase seasonality in the labor.					
Tourism causes pollution in the area.					
NGO's are working in our area for tourism development.					
Tourism attracts more investment in the region.					
Tourism benefits a small group of people in the region.					
Non-residents should be allowed to develop tourism attractions in the region.					
Construction of too many hotels and other tourism attractions has destroyed the natural environment in the region.					
The overall benefits of tourism are greater than the costs to the people of this area.					

C14. Please give your opinion on the impact of tourism on each of the following on the scale of: (1= Very advantageous, 2= Advantageous, 3= Neutral, 4= Disadvantageous, 5= Very Disadvantageous)

Your family	1	2	3	4	5
The region's economy	1	2	3	4	5
Local government's income	1	2	3	4	5
Employment	1	2	3	4	5
Environment	1	2	3	4	5
Social life	1	2	3	4	5
Culture	1	2	3	4	5

C15. What do you think the authorities should do in the future in order to improve the local economy? (1= Completely Agree, 2= Agree, 3= neither Agree nor Disagree, 4= Disagree, 5= Completely Disagree)

	1	2	3	4	5
Authorities should encourage higher spending tourists					
Authorities should encourage international tourists					
Authorities should encourage greater number of tourists					

Feel free to make any comment

.....
.....
.....
.....

Thank you for your time and attention!