CHAPTER-3

RESEARCH DESIGN

On reviewing the existing literature, it appears that the different studies on Role of Tourism in The Economic Development conducted in India provide a piecemeal account of its variety dimensions. The attempts made so far by various distinguished researchers cover one or the other aspects on the subject. An empirical study of this kind has not been carried out in state of Himachal Pradesh in general and leading tourist destinations in particular.

Research design is the basis upon which explore the existing research gap provide valuable information to frame need, scope and objectives for the present study. Further, this may help to design the methodology, analytical tools etc. along with the methodological weaknesses, if any. Therefore, it help in carrying out a research plan successfully and provides the empirical and logical basis for drawing conclusions. The design is a systematically prepared plan for guiding research. This study follows a descriptive design. The present study is based on The Role of Tourism in economic Development of Himachal Pradesh: A study of Beas circuit.

3.1 NEED OF THE STUDY:

Tourism occupies an important place in the economy of the country. Tourism is now the single largest industry according for 8% of the world’s total trade whereas in many countries earnings from tourists account for 40% of the total goods and sources and their help to cover trade deficits from the economic point of view the importance of tourism cannot be ignored because it is hard fact that it has emerged as one of the largest industrial activity and is 3rd largest industry in terms of investment and employment.

The ancient Indian texts, the Puranas had declared, “In the thousand ages of the gods, I could not tell you of the wonders of the Himalayas.” Therefore
since ages Himalayas are the major destination for the tourists. During the 19th century with the involvement of the British, Himalayas becomes important destination as a health resort. After independence, tourism has increased manifold in Himalayan region and became a major source of employment and income for the people.

Tourism as an economic significance received the widest recognition, after the World War II. The growth of tourism is closely related to the economic gains. It has emerged as the most lucrative business of the world, having tremendous potential for earning foreign exchange, yielding industries, generating income and employment and in the development of industrially backward regions through its various linkage effects. In wake of globalization and economic restructuring, many countries and communities are struggling to redefine and rebuilt their economies. To reduce poverty and encourage economic and social development, many governmental and international aided agencies have recognized the positive role of tourism in development.

There are now evidences demonstrating the successes as well as failures of tourism as an entry point to social and economic development. With careful planning, positive partnerships between private and public sectors, concern for social, economic, and environmental impacts and a clear view of responsible tourism, countries can use tourism strategies as an important development tool. There is also a growing awareness that many countries and their communities have not achieved those social and economic objectives due to environmental degradation, social disruption, unanticipated costs to local governments and rising costs to residents. Distressingly the local people often do not receive the benefit of tourism development for a number of reasons, which are explored in this study.

Tourism has been recognised as one of the most important sectors of the global economy and one of the rising infrastructure and potential industry in our
country. Tourism if developed adequately could result in inducting the foreign exchange for country. It would also open up new vistas for economic development in rural and backward areas. Tourism is an invisible export. In the world, tourism is a multi-billion dollar activity, the second largest industry and the single largest employer.

Tourism is a valuable asset to most developing nations in their quest for cultivating maximum economic growth. Tourism gives impetus to national income and earns valuable foreign exchange. Among the Himalayan states of India, Himachal Pradesh is an established tourist destination whose true potential has yet to be fully explored. The need is to consolidate and reposition tourism related activities, so that a diversified infrastructure generates sustainable tourism that would both enhance and protect the excellent environs.

The global awakening of the tourists, majesty of the land is an answer to the development of the economy and employment generation in the state through a perspective plan for tourism as an industry which is eco-friendly and in harmony with the natural environment of the state.

A state like Himachal Pradesh has to ensure rapid and continuous development of international and domestic tourism to be economically at par with many other states, countries where tourism receipts account for upto 60% of total export of goods. Tourism has paved its importance to the economy of Himachal in the last decade because of the militancy in Kashmir valley. The disturbance caused by the militant out fists in Jammu & Kashmir changed the tourist inflow towards the hilly state. The then government of India established tourism information centre in Shimla.

An independent tourism department was established in 1966 and later in 1972 tourism development corporation has created. To attract more tourists a new scheme has been notified for the private sector to construct aerial ropeways.
at the important tourist places of the state. Keeping in view all these
development programmes initiated by the state government of tourism and its
various role on the economy of Beas circuit of Himachal Pradesh. The state
government has recognized tourism as an industry and offering various
concessions like loan facilities and subsidies to promote tourism in the state,
further the government also making more budget provision to boost tourism and
to exploit its potential for future growth. Thus an attempted has been made for
future through this study to find out how much the tourism has benefited the
areas of Beas circuit for Kullu And Mandi. The need of the study is to find out
the role of govt. Bodies and private organisation and also economic benefits of
tourism to the local community.

3.2 STATEMENT OF THE PROBLEM:

The present study focuses on the role of tourism in economic
development of Beas circuit of Himachal Pradesh. The problem is titled as
below:

Role of Tourism in Economic Development of Himachal Pradesh– A
Study of Beas Circuit”

3.3 SCOPE OF THE STUDY:

Himachal Pradesh has a great Tourism potential having with all reason for
all seasons to visit this beauty full hill destination in summer as well as in winter
season. A good natural climatic conditions, hard working people, good earning
from tourism related business etc. provide an attraction for emphasis on the Role
of Tourism in Economic Development of Himachal Pradesh: A study of Beas
circuit. The universe of the present study is confined with in Beas circuit of the
Himachal Pradesh, where tourism business has made major economic activities.
Therefore, the present study is directed towards Role of Tourism in Economic Development of Himachal Pradesh: A study of Beas circuit. Which are the more progressive tourist destinations in Himachal Pradesh. The study is based on empirical information gathered from the stake holders who are engaged in tourism business/activities apart from other business. The scope of the present study is restricted only for a period of one year since data has been collected through questionnaires during the year 2012-13. Moreover, the study period is confined 2005-06 to 2011-12.

3.4 IMPORTANCE OF STUDY

The importance of tourism as a contributor of economic developments and growth is so widely accepted year after year. Tourism has earned considerable recognition as an activity, generating a number of social and economic benefits like promotion of national integration and international understanding, creation of employment opportunities, removal of regional imbalances, increase in the Forex earning etc. Tourism is one of the valuable attributes to most developing nations, where it can act as a catalyst for the economic development. In case of Himachal Pradesh, where we have a limited avenue of other employment sources, tourism can act as important economic tool for the development and growth of local economy and inhabitation. But the need is to measure and estimates its economic role in systematic manner, so that when we may plan for the better development by keeping in mind the various related factors.

The present study will be helpful in evaluating Role of Tourism in Economic Development of Himachal Pradesh A Study of Beas Circuit and identifying measures for Economic development.

The study presented some concrete plan for the tourism growth development and its Role of Tourism in Economic Development of Himachal
Pradesh A Study of Beas Circuit; hence this will be helpful for the policymakers to plan for Economic Development.

3.5 OBJECTIVES OF THE RESEARCH STUDY:

The main objective of the present study is to see the economic development of state through tourism.

This objective has been accomplished with the help of following sub-objectives spelt out as under.

1) To analyse the growth & development of tourism in Himachal Pradesh

2) To study the economic benefits through Tourism to Beas circuit of Himachal Pradesh.

3) To study the Government Program and policy of tourism development in Himachal Pradesh in general and Beas circuit of Himachal Pradesh in particular.

4) To conclude and make recommendations for the up liftment of tourism in the state of Himachal Pradesh.

3.6 HYPOTHESES:

At the time of conducing research, one can not proceed in complete ignorance. Researcher must have some idea as to new aspects that are likely to be discovered. Then, of course, one proceeds to find out whether the idea conceived are true. In the absence of any proper or suitable hypotheses, a lot of time and labour is wasted in fruitless research. Therefore, based on the foregoing discussion, review of literature and objectives following hypotheses have been developed to understand various aspects of Role of Tourism in Economic Development.
In the light of overall objectives of the study and after review of existing researches on the subject, the following hypotheses have been developed for the purposes of testing.

1) There is no difference in the opinion of respondents regarding the economic impact of tourism irrespective of their demographic profile.

2) Tourism has not been developed in Beas circuit of Himachal Pradesh.

3) Proper and adequate infrastructure is not available in the study area.

4) Government policy is not effective for the development of tourism in the state.

3.7 RESEARCH METHODOLOGY:

Research methodology is a plan according to which observations are made and data is collected. It provides the empirical and logical basis for drawing conclusions and gaining knowledge. The application of correct method and adoption of scientific form of mind are the essential requirement of a scientific study. Keeping the said assumption in view, methodology of data collection and analysis of data has been discussed in the forthcoming pages.

Selection of the area for the study:

As envisaged earlier, the study has been taken up in the Beas circuit of Himachal Pradesh. There are four circuit in this state. The criterion for the selection of the Beas circuit has been as under.

- Major Tourism activities concentration area of the Beas Circuit.

Sampling Procedures:

From the selected study area of Beas circuit major tourism activities concentration town have been selected. From Beas circuit major towns have been included in the study. All the stake holders irrespective of their occupation
are the population of the present study. Further, all the stake holders have been divided into seven categories according to their occupation.

3.8 SAMPLING:

From the study area, two districts namely Kullu and Mandi have been selected. From these districts Manali, Nagar, Kullu, Manikaran and Rewalsar have been selected keeping in view major concentration of tourism activities in these areas. These tourist destinations have been identified by using purposive sampling. From each destination, a sample of 40 stake holders has been taken by giving due representation to major occupation which are being carried out by the local people on account of tourism. Thus, the total sample comprises of (5x40) 200 respondents. The final unit in the sample has been selected by using Judgement sampling.

3.8.1 Tools and Techniques of Data Collection:

The study is based on primary as well as secondary data. The primary data has been collected from the study area of Beas circuit with the help of questionnaire to study the role of tourism in economic development. Secondary data has been collected from economic survey, government of Himachal Pradesh reports, published material, library resources and various tourism journals.

A) Secondary Data:

To find out the direct employment by tourism, foreign exchange earnings, effect of tourism on GDP, tourism’s contribution to the government revenue, revenue earned by hotels, income tax and tourism multiplier, secondary data has been used. The secondary data has been collected from the following sources:

1. Annual plans and economic review of Himachal.
Annual reports and accounts of Himachal Pradesh Financial Corporation.

Annual reports of Himachal Pradesh State Industrial Development Corporation.

Estimates of Receipts, Govt. of H.P. finance department.

Annual reports of tourism department.

The other source of information such as office records, published and unpublished documents etc. constitute a substantial source of data.

Official Records of District Tourism Department, Mnadi and Kullu.

Existing literatures and other scholarly works.

Various magazine, journals and books.

Various newspaper articles.


Magazines (Discover India, Monal, Safari India) News letters (Travel talk, travel trends Travel and tourism express etc.) and travel guides, newspapers and various Websites.

B) Primary Data:

The primary data for the study has been collected to find out the different channels of economic benefits, economic role local community through tourism, and revenue generation in Beas circuit of Himachal Pradesh through questionnaire. It has been collected with the help of questionnaire filled by Stakeholders.

These stakeholders are restaurants owners, tourism experts, hotelier etc. Pilot study has been conducted to observe the need to make changes to the
questionnaire. Informal discussions have been carried out with the employees. Personal observations made during the course of study have been included in primary data. The details of each of these have been presented in the paragraphs to be followed:

1. Questionnaire:

The main primary data have been collected with the help of questionnaires prepared for the stake holders to study the Role of Tourism in Economic Development of Himachal Pradesh A study of Beas circuit.

Format of Questionnaire:

The format of questionnaire is semi-structured. Some questions have structured responses and some others are open ended. This questionnaire has questions on following aspects of the study:

- The demographic profile of stake holders in Tourism.
- The types of business of stake holders
- Awareness among stake holders with regards to tourism policy in practice.
- Awareness regarding various policy and planning in tourism
- Professional background of the work force involved in tourism activities
- The perception of stake holders regarding the benefits reaching to the study area through tourism business.

2. Informal discussions:

Had tried to find out the information of the study related objective during the study period with informal discussion as well during the visit of study area with the stake holder and local communities about their view towards the tourism activities.
3. Personal observations:

While obtaining the information which could not be obtained through questionnaires and personal interviews, these have been obtained by means of direct personal observation. Some time, respondent did not reveal and answers of various question honestly. So the investigator observed from a close proximity the reality on the ground which helped to study the problem more scientifically. Generally, this method proved very helpful for assessing the actual income, expenditure and saving and the over all development through tourism under study region.

3.8.2 Analysis and Interpretation of Data

Keeping in view the nature of study, the data collected have been analyzed and interpreted with the help of the following methods:

1. Mathematical Methods
2. Statistical Methods
3. Diagrammatic and Graphic Methods

A. Mathematical Methods

In the present study the data collected was analysed with the help of the mathematical method such as simple average and percentage methods where needed.

1. Statistical Methods:

Statistical methods make available necessary and indispensable tools for collecting, organising, analyzing and interpreting the information expressed in numerical terms. The statistical methods used have been as follows;

1. Descriptive Statistical Measures
2. Hypotheses Testing
Descriptive Statistical Measures:

These are used to explain the characteristics of the sample taken from the population in totality. They limit generalization of the particular group of individual observed or studied. The statistical analysis based on the computation of descriptive statistical measures is by and large applied in action research and endows with precious information with reference to the nature of the particular group and that group only. Following descriptive statistical techniques have been employed in the present study.

Measure of Central Tendency or Averages:

The one single value that describes the characteristics of the entire mass of unwieldy data is called the central value or an 'average'. The measures of central tendency used in the present study are arithmetic mean and mode.

Arithmetic Mean:

Arithmetic mean has been used to observe the stakeholders perception towards the Role of Tourism in Economic Development of Himachal Pradesh. It is the most popular and widely used measure of representing the entire data by one value. It can be defined as the value which is derived by dividing the total of the values of various given items in a series by the total number of items. The formula for computing the sample mean is as follows:

\[ \bar{X} = \frac{\sum X}{N} \]

Where – \( \bar{X} \) = Arithmetic mean

f = Frequency

x = The variable in question

N= Total number of observations
Mode:

It is the value in any distribution which occurs maximum number of times or where there is maximum concentration of frequencies. It is used to find out the coefficient of skewness in the present study.

Median:

It is middle value in a distribution which splits the distribution in to two halves. It is used to measure the coefficient of skewness in case of bi-model distribution in the present study.

Standard Deviation:

Standard deviation has been used to find out the absolute dispersion in the stakeholders perception towards the Role of Tourism in Economic Development of Himachal Pradesh.

It is the most important and widely used measure of studying dispersion. It is also known as root mean square deviation for the reason that it is the square root of the mean of the squared deviations from the arithmetic mean. It measures the absolute dispersion. Large amount of dispersion or greater value of standard deviation denotes greater magnitude of the deviations of the values from there their and vice versa. The formula for computing standard deviation is as follows:

\[ \sigma = \sqrt{\frac{\Sigma x^2}{N}} \]

\( \sigma \) = symbol for Standard Deviation

f = Frequency

\( x = (x - \bar{x}) \)

N = Total number of observation
Coefficient of Variation:

With the intention to find out the relative variation in the stakeholders perception towards Role of Tourism in Economic Development of Himachal Pradesh.

When the relative dispersion is stated in terms of the arithmetic mean and the standard deviation, the resulting percentage is known as the coefficient of variation. The series for which the coefficient of variation is greater is said to be more variable or conversely less consistent, less uniform, less stable or less homogeneous and vice versa. The formula for computing coefficient of variation is as follows:

\[
\text{c.v.} = \frac{\sigma}{\bar{X}} \times 100
\]

Where, \( \text{c.v.} \) = Coefficient of variation
\( \sigma \) = Standard deviation
\( \bar{X} \) = Arithmetic mean

Measure of Skewness or Asymmetry:

Measure of skewness tells about the direction and the extent of asymmetry in a series, and permits the comparison of two or more series either in absolute terms or in relative terms. In a symmetrical distribution the mean, median and the mode are identical. The more the mean moves away from the mode the larger is the asymmetry or skewness. In the present study, skewness has been calculated by means of karl Pearson's Coefficient of Skewness.

Karl Pearson's Coefficient of Skewness:

It has been used to study the direction(either towards the lower side of mean score or towards the higher side of the mean score) and the extent of the asymmetry in the response of the stakeholders for each Individual views of stakeholder perception towards the Economic Benefits of Beas circuit, as the case may be.
Skewness is a measure of asymmetry and shows the manner in which the views are clustered around the average. In a symmetrical distribution, the values of mean, median and mode coincide. The items show a perfect balance on either side of the mode. But in a skewed distribution, the mean and the median fall at different points and the balance or centre of gravity is shifted either to the right side or the left side. The amount by which the balance exceeds on one side measures the skewness of the series. In case of positive skewness, we have mode < median < mode. The formula of Karl Pearson's coefficient of skewness has been presented below:

\[
SK_p = \frac{\bar{x} - z}{\sigma}
\]

\(SK_p\) = Symbol for Skewness
\(\bar{x}\) = Mean
\(z\) = Mode
\(\sigma\) = Standard deviation

The co-efficient of skewness is zero in case of normal distribution and when the distribution is positively skewed the co-efficient of skewness should have positive sign and it is negative skewed the co-efficient of skewness have (-) sign.

**HYPOTHESIS TESTING:**

Both parametric and non-parametric tests have been used.

Parametric Test: The parametric test which has been used in the present study are t-test and F-test.

**Testing differences between Means of two Samples (Independent Sample)**

In order to study, whether the difference between the mean values of stakeholders or respondents from Tourism business responses is statistically
significant or not, the test of significance between the means of two independent samples has been used.

Given two independent random sample of size $n_1$ and $n_2$ with mean $\bar{x}_1$ and $\bar{x}_2$ standard deviation $s_1$ and $s_2$ we may be interested in testing the hypothesis that the sample come from the same normal population. To carry out the test, we calculate the statistic as follows:

$$ t = \frac{\bar{x}_1 - \bar{x}_2}{s} \times \sqrt{\frac{n_1 \cdot n_2}{n_1 + n_2}} $$

Where $\bar{x}_1$ = Mean of the first sample

$\bar{x}_2$ = Mean of the second sample

$n_1$= Number of observations in the first sample

$n_2$= Number of observations in the second sample

$s$ = Combined standard deviation

The value of $s$ is calculated by the following formula:

$$ s = \sqrt{\frac{\sum(x_1 - \bar{x}_2)^2 + \sum(x_2 - \bar{x}_2)^2}{n_1 + n_2 - 2}} $$

If the calculated value of $t$ is greater then the table value at 5 per cent or 1 per cent level of significances, the difference between the sample means is said to be significant with the hypothesis.

**F-Test:**

It has been used to study difference in the opinion of more than groups of two respondents. It has been calculated by using the following formula:
\[ F = \frac{S1^2}{S2^2} \]

Where \( S1^2 \) = larger estimates variance
\( S2^2 \) = smaller estimates variance

1 Non-Parametric Tests:

In non-parametric tests, no assumptions about the population from which the samples are drawn are made. Originated in sociological and psychological research, non-parametric tests today are very popular in behavioral sciences. The test used in the present research has been Chi-square Test.

Chi-square Test:

The Chi-square test of independence and goodness of fit has been used (as per the need of research) to study the relationship between stakeholders views regarding Tourism benefits reaching to the study area.

The Chi-square test is one of the simplest and most widely used non-parametric tests in statistical work. It describes the magnitude of the difference between the observed frequencies and the expected frequencies under certain assumptions. It is used to estimate the likelihood that some factors other then chance account for the observed relationship. Since the null hypothesis states that there is no relationship between the variables under study. The chi-square test merely evolutes the probability that the observed relationship resulted from chance factor. The equation from the chi-square is as follows:

\[ \chi^2 = \sum \frac{(O - E)^2}{E} \]

Where, \( \chi^2 \) is symbol for chi-square test
\( O \) = refers to the observed frequencies
\( E \) = refers to the expected frequencies
3. Graphical Methods

In the present study the data collected have been analysed with the help of the graphs where needed in the following ways:

1. Bar Diagrams
2. Pie Diagrams

3.9 LIMITATIONS:

To know the extent of reliability of the study, it is important to state the limitations under which it has been conducted. The present study suffers from the following limitations.

1. The primary data have been collected through questionnaire/schedule and the reliability of the results depends upon the comments given by the respondents.

2. The subject of this study is rather difficult terrain because of the general reluctance to disclose confidential information about personal income, earning and investment. There is the lurking fear among many that the personal financial data provided by them might get to the hands of the tax department and used against them. Moreover, people do not like to make their financial statements to public. The inquisitiveness into details of personal financial data, therefore, to be restrained with in the limits of respondents’ sensitivity as also their willingness to spare time.

3. The delicate nature of the subject requires special attention to be given to the problem of improving the response rate of respondents.

4. As in any sample survey, the memory bias of the respondents does not crop up in the responses. All out efforts have been made at the scrutiny stage to remove the inconsistencies in the data, if any. Though, information is collected from the heads of the sample stake holders, yet the data collected is subject to the response error.
5. The study has been also conducted with the help of secondary data collected from the different sources of the Government departments. There may be window dressing in the records to show better skill and efficiency of management.

6. Furthermore, time and cost factors did not permit the researcher to cover the entire state for the present study.

7. Travel intermediaries and officials were hesitant to respond fully. Evenly time the researcher had to convince that information so collected would be kept confidential and would be used for research work only. In spite of all this some of them either refused to respond or did not answer some of the questions during informal discussion and contained in the checklist/checklist.

8. The study has been carried out with the help of the secondary data collected from various sources. The limitations of these data add to the limitation of this study.

9. The study has been accomplished with the help of primary data which is collected at random. For that reason, the results are likely to be affected by the sampling errors.