THE ROLE OF TOURISM INDUSTRY IN THE GDP GROWTH OF HAMEDAN PROVINCE

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ABSTRACT

One of the strategies of increasing the foreign currency income which leads to economical growth in today's world is tourism industry. The extent to which the tourism industry can play an important role in the cities' economical growth and development is an issue worth thinking about. In reviewing the economical role of the cities and taking it into consideration as a system, tourism can be considered as one of the economical subsystems with an effect on cities' economical growth and development. Given that the tourism industry of Hamedan is the independent variable and economical growth and development are the dependent variable in this research, thus the researcher reviewed the role of tourism industry and entrance of the tourist and the earnings obtained from Hamedan's tourism on GDP growth and attempted to answer this question: is there a significant relationship between tourism industry and economical growth and development of the city Hamedan? The researcher, by gathering the information and data obtained from statistical yearbook and economical analyses of the province from 2000 to 2014 and by using the SPSS software, came to the conclusion that there is no positive relationship between entrance of tourists and growth of gross domestic production (GDP).

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1. INTRODUCTION

By taking a look at the advancement obtained from the new age and also reviews of the economical reports published in the world's creditable institutions are all indicative of the fact that the newly-emerged tourism industry has been able to find its place as one of the profitable and growing industries. Multidimensional and multi-sectional feature of tourism industry will have wonderful positive and negative impacts on various economical, social and cultural sections of the host society. The evidences show that the main purpose of development of tourism in most countries of the world is to create economical interests and freedom from the single-product economy and reaching growth and development. Although the impacts of tourism on various economical, social and cultural domains are seen, but this issue, more than anything, shall be considered that economical impacts are way more important and wonderful and can pave the way for development. Our province, due to have the important potential for attracting tourist such as natural landscapes, monuments, culture and climate, can create a dynamic and varying economical by developing cohesive programs and with investments in the respect of reinforcing the tourism section.

Importance and necessity of the research

Today, given the importance of tourism and its role in the economical growth and development of the country, the necessity of the attention paid to this industry and efforts made for reinforcing and recognizing various aspects of tourism is essential and investment in this industry has wonderful economical impacts. And the multisectoralness of the tourism industry is an advantage that can lead to the enhancement of mobility in economy and its dynamicity. Therefore, paying attention to the tourism economy approach and reviewing to the role of tourism on economical growth and development and its positive and negative effects on the economical indexes shall be considered by the economists, programmers, and policy makers and it will have an amazing impact in development from all aspects especially sustainable development in the countries and developing countries in particular.
This article seeks to respond to the following questions:

1- Is there a relationship between the entrance of tourists and gross domestic production (GDP)?

**Research purposes**

1- Reviewing the role of tourism in Hamedan's economical growth and development

2- Reviewing the role of tourism in Hamedan's earnings obtained from tourism

**Research literature**

✓ (Phiri, 2015)

In his study, Phiri reviewed the effects of the cointegration and causation between tourism and economical growth in South Africa, according to the common sense, supports the empirical results of a linear framework of the tourism hypothesis leading to growth; whereas the nonlinear framework shows that there is no causal relationship between tourists and economical growth. Therefore, in this study, the direct relationship of the tourism expenses instead of the number of the entering tourists is emphasized which generally affects economical growth and economical development.

✓ (Brida et al., 2010)

In this article, Brida briefly reviewed the temporary relationship between tourism and economical growth and evaluates the tourism hypothesis leading to its growth. Generally, the empirical findings provide evidences that in fact tourism activities always lead to economical development in all countries. This result supports the role international tourism has in economical development.

✓ (Somayeh Hassanvand, et al., 2014)

In this article called "the impact of tourism on economical growth in the developing countries", the relationship between tourism and economical growth in a selection of developing countries (including Asian, African and American countries) is reviewed. The empirical results obtained from this research confirm the positive relationship between development of tourism and economical growth in these countries.

**Theoretical principles**
- **Definition of economy:** economy can be defined as the science of selection which shows the method of selection which means the choice that creates the maximum advantage with the minimum expense. Based on this concept, economy can be defined as the science of optimal assignment of rare resources. Most economists have an agreement about this concise definition; because it includes two basic concepts of the science of economy which are selection (assignment) and rareness. It means that the definition above expresses the nature of economy as a science of selection (Kordbacheh, 2011, 13).

- **Microeconomic:** it has been derived from the Greek word Micros meaning small and it is a section of the science of economy which studies decisions and behaviors of persons and individual economical units such as families and firms. Determination of prices and subsequent to it, determination of the rates of supply and demand in the frame of the study of individuals and interactions of consumers and suppliers is one of the most important issues which are reviewed in microeconomics. Also, given that the tools of assigning resources to production of goods and services is the exchange value or the price of goods and services, microeconomics is also called "price determination theory". Microeconomics also studies the effects of governmental regulation and taxes on the prices and rates in the market of goods or a service (same source, 17).

- **Macroeconomics:** it has been derived from the Greek word "Macros" meaning big and is indicative of a section of the science of economy which studies the efficiency of economy in the frame of national economy or international economy (same source, 17).

- **Gross Domestic Production (GDP):** as one of the most important indexes of total supply, is one of the most comprehensive and applicable concepts in national accounts which has a central role for most macroeconomic notions and indexes. GDP is the monetary value of the whole goods and services produced and exchanged in the internal realm or land of a country through firms, nonprofit institutions, governmental section and families. This index is calculated for a certain interval which usually seasonal or annual (same source, 36).
Tourism

It seems that in the definition of the word tourism, there is a kind of wideness and lack of structure. In the perspective of the UN statistical assembly (1993), tourism includes activities of individuals including traveling to places outside one's usual living environment and staying there for less than a year for entertainment, business and other purposes. Tourism has three features which are: 1- intangibility of services which means that most of the time customer is not able to see, touch or test the product of tourism (residency, tour, etc.) before purchasing; 2- the service is consumed in the location of purchasing and it cannot be moved; 3- people and location of the service are parts of that service. Thus, tourism includes many sections of a society. These three features show that the people who live and work in a specific place do not only produce goods and services, but many of them are a part of the produced services and goods (A'rabi and Izadi, 2008, 69). Tourism is an activity with many objectives and it is done in a place outside of the usual environment of the tourist and its purpose is entertainment, business or other activities (W.T.O 2005). In the opinion of the majority of the people the word tourism means excursions and is mostly used as a synonym for vacation. Also in the dictionary, the word tourism has been defined as travel with the intention of entertainment. In contrast, the tourism organizations and other centers that seek development, marketing and coordination of tourism in their country try to have a wider view of this issue. In their opinion, tourism is a travel with various purposes with the exception of work trips, immigration and local and regional activities (Ghalandar, 2008, 2).

2. RESEARCH METHOD:

In order to execute the research and achieve its purposes, firstly the principles associated with the issue are reviewed. Then, by referring to public and governmental organizations and institutions, some of the existing data and statistics and required information were gathered. Of course, shortage or absence of some information created some weaknesses in the present study. Also, through repeated references to the considered organizations, in addition to gathering the information about the current situation, the opinions of the authorities were also reviewed. After completing the reports of the current situation, in order to process, analyze
and deduce it, the analytical – descriptive method was used and in order to review the hypotheses, the Pearson correlation tests and the SPSS software were used.

**Specifications of the studied region**

Hamedan province includes 1.2% of the total area of the country with an area of 19491m². This province is between the 33º circuits to 59 minutes and 35º to 49 minutes of north latitude and 47º and 34 minutes to 49º to 36 minutes of the East longitude of Greenwich Meridian. Hamedan province is one of the west provinces of Iran which is limited to Zanjan and Qazvin provinces from the north, Lorestan province from the south, Markazi province from east and Kermanshah and Kordestan provinces from the west. The highest place of Hamedan province is the Alvand Mountain with the height of 3574 meters between the cities Toyserkan and Hamedan and the lowest place of this province is the lands of Omar Abad besides Ghareh Chay River in the Shara section. Hamedan province, according to the latest divisions and census of the year 2011 and the editions after it, includes 9 cities, 27 towns, 25 districts, 73 subdistricts and 1212 villages and the center of this province is the city Hamedan. The cities of this province are: Hamedan, Nahavand, Toyserkan, Malayer, Kabudrahang, Asad Abad, Bahar, Razan and Famennin (Rahmani, 2014, 34).

**Analysis**

**Table 1.** Gathering information and data from statistical yearbooks and economical analyses of the province from 2000 to 2014

| Year index | Number of tourist | Share of employment | GDP | GDP | GDP | GDP | Population (thousand) |
|------------|-------------------|---------------------|-----|-----|-----|-----|-----------------------|
| 2000       | 2065439           | 31.13               | 171 | 2410| 1514| 9040.07 | 128.1 | 485.5 | 340.8 | 1688 |
| 2001       | 2167932           | 32.68               | 178 | 2418| 1578| 11165.3 | 161.2 | 594  | 472.2 | 1691 |
| 2002       | 2265781           | 34.16               | 181 | 2429| 1613| 14152.6 | 207.4 | 734.2 | 548.6 | 1693 |
| 2003       | 2312111           | 34.86               | 198 | 2518| 1662| 16586.6 | 288.2 | 999.9 | 756.6 | 1694 |
| 2004       | 2345773           | 35.37               | 202 | 2521| 1778| 22252.2 | 346.6 | 1247.2| 1028.9| 1697 |
| 2005       | 2353802           | 35.5                | 210 | 2524| 1811| 42379   | 426  | 1522.2| 1689.3| 1699 |
| 2006       | 2546085           | 38.4                | 246 | 2530| 1888| 45842   | 478.5 | 2293.2| 1887.5| 1703 |
| 2007       | 2619019           | 39.5                | 304 | 2524| 1959| 50252   | 617  | 3050.1| 2220  | 1713 |
Using SPSS software in order to analyze the data

### Descriptive Statistics

|        | Mean   | Std. Deviation | N  |
|--------|--------|----------------|----|
| T.N    | 2361272.20 | 235496.401     | 15 |
| GDPH   | 433.2000  | 294.98286      | 15 |
| GDPR   | 50347.2540 | 34052.21012    | 15 |

### Correlations

|         | T.N | GDPH | GDPR |
|---------|-----|------|------|
| T.N     | 1   | -.098| .081 |
| Sig. (2-tailed) | .729 | .773 |
| N       | 15  | 15   | 15   |
|        | GDPH | Pearson Correlation |   |   |
|--------|------|---------------------|---|---|
|        |      | Sig. (2-tailed)     |   |   |
|        |      | N                  | 15|15|15|
| GDPH   | -.098| .729               | .000|   |
| GDPR   | .081 | .773               | .000|   |

**. Correlation is significant at the 0.01 level (2-tailed).

H0: There is no significant correlation between the two variables. r=0

H1: There is a significant correlation between the two variables. r≠0

- In the output of the table, since the rate of correlation between the two variables is equal to 0.081 and Sig=0.773 and more than 0.05, H0 is not rejected. Therefore, there is no positive relationship between the entrance of tourists and GDP growth

3. CONCLUSION AND RECOMMENDATIONS

Tourism economy can have a main share of the economy of the province in order to achieve the purposes of the 20-year-old landscape and in order to achieve the mentioned purposes, the following items are recommended:

1) Increasing the internal and external investment of the private section in the respect of developing the tourism infrastructure (5-star hotel, rail lines and airlines)

2) Holding meetings, conferences, assemblies, gatherings, seminars, etc. at an international level such as winter festivals, crafts festivals, film festivals and holding annual sport competitions such as horseback riding and mountaineering and so on

3) Setting up comprehensive programs of advertisement and marketing and branding

4) Creating artificial tourism attractions and establishing health tourism villages

5) Reinforcing the culture of good behavior with tourists in the citizens of the province

6) Using experts in the field of tourism activities
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