Socioeconomic Impacts of Tourism on the Rural People of Azad Kashmir

- A case study of Rawalakot and Banjonsa in Azad Kashmir

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Abstract

This study aims to investigate the socio economic impacts of tourism on the people of two villages including Rawalakot and Banjonsa situated in Azad Kashmir. The researcher used a qualitative research technique for a field data collection. A total of 28 respondents were interviewed in both villages for obtaining the required information. The research findings show that tourism development has significant socio-economic impact on the people of study villages. Tourism created the work opportunities as well as improved infrastructure of the two villages. In contrast, tourism also brought some negative economic impacts like increasing land prices, high rent, and high prices of essential commodities. The tourism also encouraged some socio-cultural impacts on the people of study areas in the form of changes in family structure, relationship among the community people and dressing style etc.

Keywords: Social impact, economic impact, tourism development, tourism in Azad Kashmir, local community, household, Banjonsa, Rawalakot
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## Abbreviations and Glossary

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<tr>
<th>Abbreviation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>AKTDC</td>
<td>Azad Kashmir Tourism Development Corporation</td>
</tr>
<tr>
<td>ABS</td>
<td>Azad Kashmir Bureau of Statistics</td>
</tr>
<tr>
<td>AJK</td>
<td>Azad Kashmir</td>
</tr>
<tr>
<td>B.SC</td>
<td>Bachelor of Science</td>
</tr>
<tr>
<td>ERRA</td>
<td>Earthquake Reconstruction &amp; Rehabilitation Authority</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GNP</td>
<td>Gross National Product</td>
</tr>
<tr>
<td>HONS</td>
<td>Honors</td>
</tr>
<tr>
<td>ICIDI</td>
<td>International Commission on International Development Issue</td>
</tr>
<tr>
<td>LDC</td>
<td>Least Developed Countries</td>
</tr>
<tr>
<td>LOC</td>
<td>Line of Control</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of Understandings</td>
</tr>
<tr>
<td>MDG</td>
<td>Millennium Development Goals</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization of Economic, Co-operation and Development</td>
</tr>
<tr>
<td>POK</td>
<td>Pakistan Occupied Kashmir</td>
</tr>
<tr>
<td>PCO</td>
<td>Public Call Office</td>
</tr>
<tr>
<td>PIA</td>
<td>Pakistan International Airlines</td>
</tr>
<tr>
<td>PKR</td>
<td>Pakistani Rupee</td>
</tr>
<tr>
<td>PTDC</td>
<td>Pakistan Tourism Development Corporation</td>
</tr>
<tr>
<td>PWD</td>
<td>Public Works Department</td>
</tr>
<tr>
<td>TTCR</td>
<td>Travel and Tourism Competitiveness Report</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nation Development Program</td>
</tr>
<tr>
<td>UNWTO</td>
<td>United Nation World Tourism Organization</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar</td>
</tr>
<tr>
<td>UNGA</td>
<td>United Nation General Assembly</td>
</tr>
<tr>
<td>WTTC</td>
<td>World Travel and Tourism Council</td>
</tr>
</tbody>
</table>
Acknowledgment

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Chapter One: Introduction to Research

Research Background
Worldwide tourism has evolved into one of the largest economic sector contributing 35% of global exports of services (UNWTO, 2008). Two billion US dollars per day incomes from tourism industry in 2006 and 6.5% increase in international tourist arrivals per annum throughout 1950 to 2006 showed the sustainability of this division (ibid). UNWTO also expected 1.6 billion international tourist arrivals globally by 2020 which shows the growth potential of tourism sector all over the world (ibid).

There is a general hopefulness that tourism might be a beneficial and powerful agent of both social and economic change (Wall and Mathieson, 2006). According to Shah and Gupta (2000) tourism has become important industry both in rich and poor states due to its positive impacts on people’s livelihoods, economy, social and cultural development. For example, in Maldives, tourism contributed considerably into socio-economic growth. There is an approximately hundred percent of infant mortality and literacy rate increased from 121 per thousand in 1977 to 35 per thousand in 2004. At the same time, average life expectancy at birth rose from 47 years to 67 years (UNDP, 2006). Though, some authors (Wall and Mathieson, 2006; Sharpley, 1994) argued that main benefits produced by tourism do not arrive to the poorer parts of the society in developing states and furthermore host states endure the social and environmental costs.

In Pakistan, demand for tourist activities is growing in different areas. From 1997 to 2005, the entire visitor arrivals have risen from 368700 in 1996 to 798300 in 2005 (Ministry of Tourism 2006). Tourism plays an important role in terms of GDP and employment. According to World Tourism and Travel Council 2006 report, tourism contributed 6.3% to GDP and 5.1% in job generation in Pakistan (WTTC 2006).

The state of Azad Kashmir which is under control by the Pakistani government has a potential for tourism more than others. According to the Azad Kashmir tourism and archaeology department 2011 report, the main tourist attractions spot in Azad Kashmir are Muzaffarabad, Rawalakot, Banjonsa and Neelam valley which attracts a number of domestic and foreign tourists. To develop tourism industry in Azad Kashmir, the governments of Azad Kashmir and
Pakistan have increased the tourism development budget from 7.3 million PKR in 2005-06 to 200 million PKR in 2010-11 (Chari et al. 2011).

Azad Kashmir has six districts namely Poonch, Muzaffarabad, Sudhonati, Kotli, Mirpur and Bhimber. According to Earthquake Reconstruction & Rehabilitation Authority (ERRA), “The population of Poonch district is 411.04 thousands with an average yearly growth rate of 2.24%. Average household size is 8.00 and 7.6 persons in urban and rural areas respectively. The 86.84% people are residing in rural area whereas urban population constituted 13.16% of the total population. Amid employment groups the highest percentage i.e. 28.34% belonged to skilled agricultural and fisheries, daily wages (22.01%) and services (13.07%) (ERRA 2007).”

In Poonch district, the villages Rawalakot and Banjonsa are famous for tourism. Inhabitants of Rawalakot and Banjonsa have diverse but imperfect means of livelihoods including overseas employment, business, farming, poultry farming and livestock. In Azad Kashmir seasonal migration for employment is very common (ERRA 2007). This signifies that different members in the local/family community seek for alternatives to improve their income. This has certain inferences on the every-day-social life on a household level. Some household members travel to Pakistani cities to get a job and increase their household income. In a sense to get an extra job opportunity in Rawalakot and Banjonsa rather than migrating to other cities of Azad Kashmir and Pakistan, tourism is an alternative for the locals to improve their household income.

1.2 Problem Statement
For tourism to become a significant tool for economic growth in developing nations, it is compulsory to understand the impacts of tourism on a local society and how it can get benefit from tourism. However, according to Mason and Cheyne (2000) most of the research on the impacts of tourism (Alleyne and Boxil, 2003; Tosun, 2002; Lindberg and Johnson, 1996) has occurred in regions where tourism has already been a vital contributor to the local economy while little research has been carried on the tourist regions where growth of tourism is in its preliminary stage.

In Pakistan, a little research has been done to dig out the socio-economic impacts of tourism on the local communities. To overcome the dearth of literature, this research focuses on the impacts of tourism on the local community and finds out how tourism impacts on investment, income and
employment. It further focuses on the issues of social impacts, like changes in cultural values and lifestyles. Faulkner and Tideswell (1997), articulates that the social and cultural impacts of tourism should be observed constantly in order to increase the benefits of tourism at the destination.

In Azad Kashmir, there is a noteworthy potential for tourism (AJK, 2011). The rural area of Rawalakot and Banjonsa, which were examined as a case study in the research, has a potential for tourism. Studies on tourism and the impacts of this activity on local communities are very limited in Azad Kashmir. Therefore, this study was designed to investigate the socio-economic impacts of tourism activities on the local communities of the two case study villages in rural area of Azad Kashmir.

1.3 Thesis Objective and Research Questions

1.3.1 Thesis Objective

The key objective of this study is to investigate the socio-economic impacts of tourism on the local communities of the two villages including Rawalakot and Banjonsa situated in Azad Kashmir.

1.3.2 Research Question

This thesis attempts to answer following research question

- Which are the main economic and social impacts on the local people of the villages Rawalakot and Banjonsa, in the province of Azad Kashmir, caused by the increased tourism?

1.4 Thesis Outline

This thesis contains six chapters and this section presents a brief overview of each chapter in this thesis. The first chapter presents the discussion on a research background, research objective, problem statement, research questions and thesis outline.

The second chapter outlines the study methodology. It contains an analysis of the research and a theoretical viewpoint. It includes a research paradigm with justification for using a case study
methodology. Further it discusses the research method, data analysis, interpretation and summary.

The third chapter is literature review that starts with an introduction, including an analysis of a related secondary data on tourism and development, impacts of tourism, economic development, economic impacts, employment and income generation, socio-cultural impacts, improvement of quality of life, impacts on family structure and values, impact on language, and impacts on moral behavior. The chapter is ended with a brief summary. A relevant literature is reviewed in this chapter to facilitate a development of a logical framework for the research to improve the understanding of tourism in Rawalakot and Banjonsa.

The fourth chapter is a case study which presents an overview of Azad Kashmir. It provides the history, geography, climate, demography, culture, administrative, political structure and socio-economic background. It further discusses the other tourist spots so that the reader can recognize the appropriateness of a selection of village Rawalakot and Banjonsa as a research setting.

The fifth chapter provides an analysis of findings concerning socio-economic impacts caused by the development of tourism in Rawalakot and Banjonsa. The chapter spots out both positive and negative economic and socio-cultural impacts of tourism on the local households.

The sixth chapter provides a conclusion for the thesis. It gives an analysis of the research objective and highlights the key findings. It also recognizes the contribution of this research to existing methodology and theory.
Chapter Two: Research Approach

2.1 Introduction
This chapter explains the methodology deployed for conducting the research. It also discusses the motives for choosing the research methodology and research methods and how these methods assist to achieve the research objective that is stated in chapter one. This chapter contains six sections including research methodology, research paradigm, research method, data analysis, interpretation and summary.

2.2 Research Methodology – case study
This research is based on a case study of two areas famous for tourism in Azad Kashmir i.e. Rawalakot and Banjonsa. It is not an easy task to describe a case study as many researchers describe it differently. Robson (2000) argues that, the case study is a strategy for conducting a research which comprises an investigation of precise current phenomena within its real life context using the various sources of evidences. In the view of Creswell (2000), the case study is an in-depth investigation of the bounded system based on a general data collection. Yin (2003) is of the view that: “A case study is an empirical inquiry that investigates the contemporary phenomena within its real life context, specifically when the limits between context and phenomena are not clearly evident.”

Hartley (1994) is of the view that, a case study could be thought as an appropriate alternative, when the phenomena is new or little understood so far or comprehensive understanding of meaning is necessary in a comparative research. The main advantages of the case study methodology are: it can implant the subject of the study in its historical and social framework and be very helpful when resources are inadequate; it can also offer suppleness in the data gathering strategy that permits researchers to take on their research strategy as the research carries on (Veal 2006).

2.3 Research Paradigm
The paradigm used for this study is a qualitative research. As Creswell describes, a qualitative research is a method of understanding based on a varied methodological tradition inquiry that investigates a human or social problem.
According to Denzin and Lincoln (2000) describe the key aspects of a qualitative research as:

“A qualitative research is a situated action that locates the observer in the world... qualitative research comprises naturalistic and interpretive approach to the world. This shows that qualitative researcher study things in their normal settings, trying to make a sense of or to understand phenomena in terms of the meanings of people bring to them”.

In a qualitative research, the researchers are openly involved with a research circumstances and the researcher as well; the individuals involved in that circumstances have their own vision. The major responsibility of the researcher is to interpret the circumstances. It is interpretive and can deploy various methods of investigation. Consequently, it can be assumed that qualitative research is a wide approach to the study of social phenomena. In the view of Denzin and Lincoln (1994), “Qualitative research involves the collection of a variety of empirical personal experience, observations, materials-case study, life story, interview, introspective, visual texts and historical interaction- that explain routine and challenging moments and meanings in individual’s live. Therefore, qualitative researchers deploy a wide range of unified methods, hoping always to get a better fix on the subject-matter at hand.”

According to Kelly (1980) states that in tourism research, the qualitative paradigm have more benefits: (1) as leisure is a qualitative know-how so, the qualitative technique corresponds to the nature of phenomena; (2) tourism itself contains a face to face contact between the people and thus qualitative research is suitable in examining such phenomena; (3) as the people existing behavior related to environmental, economic and social situations are deeply influenced by their life experiences and histories and thus qualitative research techniques may be appropriate in analyzing changes over time; (4) outcomes of the study is simply comprehensible by the people who are not entirely taught in statistics.

Based on the above arguments, the research used a qualitative research paradigm to collect, guide, analyze and interpret the data.

2.4 Research Method
Research methods are the procedures or techniques deployed to collect and scrutinize the data connected to specific questions. The major data collection techniques utilized in qualitative
research study contain questionnaire, study of documents, interviews and observations (Blaxter et al 1997).

This research organized semi-structured interviews to collect a primary data from the field. Secondary data was gathered from available and related sources including research reports, papers accessible in a printed form as well as on internet.

An interview guide was used to guide the flow of conversation and notes were also taken by the data-collector. A recorder was used to record the discussions during interviews. A digital camera was also used to capture snap shots of the environments, respondents etc.

2.4.1 Sampling Procedure
This study is based on a qualitative research. Hence to create a sample by using a representative or random sampling method might provide ambiguous, biased and irrelevant information. Mays and Pope (1996) describe the sampling for qualitative research as a method:

“To recognize a specific groups of people who either have characteristics or live in situations pertinent to the social phenomena being studied. Informants are recognized because they will facilitate exploration of a specific aspect of behavior relevant to the research. This permits the researcher to include a broad range of types of informants and also to select the main informants which access to significant sources of knowledge”.

The data-collector uses a snow-ball sampling technique rather than random sampling to locate the information-rich respondents. Snow-ball sampling is a non-probability sampling technique in which the data-collector tries to discover the respondents who can give accurate information about the topic under study. The Snow-ball sampling method is frequently use in the circumstances where it is complicated to select cases randomly for observational studies or for concentrated interviewing concerning hard to locate respondents.

2.4.2 Sample Size
Sample size for any research study depends on the aim and objective of the research, psychology behind the research approach of getting the information and the time and resources accessible to the researcher. Patton (2002) argue that in a qualitative research, the validity and insight produced from it is highly dependent on the information richness of the case chosen and analytical and observational abilities of the researcher. In qualitative studies the richness and
quality of the data are very crucial and it is better to keep a little sample size (Sparkes, 1994; Botterill, 1989; Holiday, 2002).

Keeping in view the above mentioned arguments, the data-collector used a small sample size for this study. A diversified sample of 28 respondents was developed in which 15 respondents belong to Rawalakot and 10 from Banjonsa village and 3 from the government officials from tourism department.

2.4.3 Semi-Structured Interview

It is a type of qualitative interview. Patton (2002) describes that: “Qualitative interview starts with the supposition that the viewpoint of others is important, knowable, and able to be made clear. We basically interview to discover what is in and on somebody else’s mind, to collect their stories”. Byrne (2006) is of the view that qualitative interviewing is a very useful method for evaluating individual’s approach. He also argues that open-ended questions usually get more impulsive responses than closed questions can offer the researcher in acquiring interviewee’s standpoint, explanations of events, understandings, opinions and experiences. He further describes that a qualitative interviewing inclines to be very supple which enables the interviewee to speak their own thoughts and with their own language that occasionally creates complex issues easier to explore. It can also facilitate in an in-depth examination and perceiving of complication of issues that might not be viable with other approaches like a survey.

According to Corbetta (2003) recognizes three types of qualitative interviews i.e. structured, semi-structured and unstructured interviews. Semi-structured interview is a type of qualitative method. In the word of Lofland (1984): “semi-structured is a qualitative technique that contains open-ended, comparatively unstructured questions in which the interviewer looks for in detail information on the interviewee’s experiences, perceptions and feelings”.

To analyze and study the socio economic issues is a complex task. Structured interviews of gathering information might ignore some information as the respondents may experience to be bounded by the approach itself, resulting in unfairness in the responses and that somehow give the wrong impression about the interpretation. For this research, the data was collected about how the people experience socio-economic changes and feel, describe and makes logic of it. Therefore, the interviewer considered a semi-structured interview as an appropriate tool for
collecting the field data. Patton (2002) statement also reinforces this as “one must begin in-detail interviews with people who have straightly experienced the phenomena of concentration; that is, they have “experienced” as contrasting to “second-hand experience”.

In this research a total of 28 respondents were interviewed. The interviews were conducted in two phases. In first phase, 25 interviews were conducted with the respondents from transport sector, grocery shops, petty traders, tour operators, handicraft shops from both the case study areas. The main themes covered in these interviews were: socio-economic benefits they are getting, the impacts of tourism activities on their livelihoods etc.

Table 2.1: Respondent Matrix

<table>
<thead>
<tr>
<th>Type of Respondent</th>
<th>Population</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>from transport sector, grocery shops, petty traders, tour operators, handicraft shops</td>
<td>Rawalakot</td>
<td>12</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Banjongsa</td>
<td>8</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Government Official</td>
<td></td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Developed by Author

In second phase, 3 interviews were conducted with employee of government officials who were responsible for operating and regulating tourism activities. The main themes covered during
these interviews were: government policies and procedure regarding tourism, socio economic impacts of tourism on local community’s livelihood.

2.4.4 Ethical Considerations
When it comes to discuss ethics in social research there are four subjects prepared by Diener and Crandall (1978); whether there is a need of informed approval, whether there is damage to partaker, whether there is a disclosure of privacy and whether fraud is involved (Diener and Crandall 1978 cited in Bryman 2004). The research on socio-economic impacts of tourism on the rural people of Azad Kashmir at household level was conducted considering the above mentioned ethical issues. The interviewer commenced the interview with a brief introduction about himself, the research, its aim and the significance of the respondent’s involvement. Aforementioned consents were also taken for taking photographs and audio recordings.

2.5 Data Interpretation and Analysis
Data interpretation and analysis are the process of passing on meaning to the gathered information and determining the implications, conclusions and significance of the findings. Various types of data require different approaches to be analyzed. Wolcott (2001) argues that due to the complexity and diversity of qualitative techniques and the individual viewpoints of concerned people, there is no solitary formula for analysis. The data-collector employed an inductive process to analyze the data. Record of data from audio tapes was the primary step of data analysis. The interviewer vigilantly pay attention to all the discussions with respondents taken place through out the interviews and transcribed it into English language as written observations. After transcription, all the information was classified in terms of contents and themes. After analysis, an arrangement was given to transcribe information by dividing it into sub-topics and topics.

An interpretation is an understanding of the meaning of some objects of concentration. It also passes on to creating ideas more understandable and may convey one's own understanding of things, for example a social phenomenon, or a piece of literature and a work of art (Rahman 2010). To describe the significance of interpretation Riessman (1993:2) articulates that “the world and the nature do not utter stories, inhabitants do, and interpretation is predictable because stories are representations.” The researcher recognized a genuine life case developed
from the respondents work added realism and in the procedure of interpretation. All the interpretations in the research are based on opinions about the respondent’s viewpoints.

2.6 Summary
This chapter presented the research methodology adopted for carrying out the research study. The research methodology is based on a case study approach. The research study is qualitative and the tool deployed for data collection was semi-structured interview method. Snow-ball sampling technique was carried out to develop a sample of 28 respondents for the research. The secondary data was also gathered from the government official literature and reports accessible on the internet. An inductive process was carried out for data interpretation and analysis.
Chapter Three: Review of Literature

“The tourism knowledge is the study of inhabitants away from their usual surroundings, of the institutions which respond to the need of travelers, and the impacts that they have on the social, economic and environmental security of their host (Wall and Mathieson, 2006).”

The key focus of this research study is to scrutinize the socio-economic impacts of tourism on a local community. The research carried out an inclusive literature study to recognize the problems and shape a theoretical viewpoint on the research questions.

- This chapter demonstrates the literature review on the concept of household, economic growth, Development of Tourism, impacts of tourism, economic impacts, employment and income generation, socio-cultural impacts, improvement of quality of life, impacts on family structure and values, impacts on language, and impacts on moral behavior. The chapter is ended with a brief summary.

3.1 The Concept of Household
This thesis uses ‘household’ as a unit of analysis. The concept of ‘household’ is complicated and various authors defined it in different ways in literature. Conventionally, the household is defined as social group, which resides in the same place, shares the same meals, and makes joint or coordinated decisions over resource allocation and income pooling (Meillassous 1981, Ellis 1993 cited in Ellis 2000). However, other conceptions of household recognize the importance of non-resident family members in contributing the well-being of the resident group. Bruce and Lloyed 1997 cited in Ellis 2000 argued that due to the importance of the kinship networks for household survival the family rather than the household is the appropriate social unit for research. According to Bazz (1998) “the kinship composition of the homestead is mapped to the spatial nature of its livelihood sources, yielding four main combinations i.e. simple-resident (one family group, no migrants), simple dispersed (one family group, migrants) extended resident (multiple family groups, no migrants), and extended-dispersed (multiple family groups, migrants)” (Ellis 2000). It is clear from above discussion that ‘household’ means different things to different people in different places. Within the context of the case study in this area, a
household may composed of one or more nuclear families members living together and sharing income and expenditures with the inclusion of migrant members who are making contribution to household welfare where applicable.

3.2 The Concept of Economic Growth

The term economic growth is multifaceted and complicated to describe in all-encompassing way. In literature, researchers have illustrated numerous definitions of economic growth. Primarily, the economic growth has been described in expressions of Western approach modernization accomplished through the economic development (Red Clift, 1987). As per Western viewpoint, the growth was considered to be accomplished through a capital investment and mass production and more reserves. The excess production was anticipated to cause in increased income. The increased income or development was considered; it would certainly and finally trickle down to the entire population. But this consideration has never taken into account, as in most developing nations, the advantage of the growth is enjoyed by the influential sections of inhabitants, the larger proportion of population does not have admittance and privilege to get these advantages. The president of World Bank Mr. McNamara described that:

“…….regardless of a decade of unparalleled growth in the GNP of the developing nations, the poorest parts of their inhabitants has gained very little advantages (McNamara: 1972)”

In the view of International Commission on International Development Issue (ICIDI) disapproves of the economic progress model of development. According to ICIDI (1980) stated that “the world improvement is not simply an economic procedure.... Statistical dimensions of development leave out the fundamental elements of individual rights, of social welfare, of values not calculated by wealth.”

Well-known economist Kosnetz (1972) described that assessing the development entirely with the markers of gross per-capita income is erroneous covering up the solid truth. According to him, augmented GNP brought several economic and social issues like unemployment and disparity in most of the developing states.

In 1970s, a new conception of development surfaced, where development was considered as a state of human’s welfare rather than as the state of the national revenue. Poverty alleviation, job
generation to tackle unemployment, disparity alleviation between rich and poor and self-sufficiency were measured the core objectives of the development. Todaro (1989) is of the view that development is a multi-dimensional procedure linking not only the upgrading outcomes and revenue but also essential changes in social, institutional, administrative structures, customs, beliefs and attitudes. According to Todaro (1989), the major objective of the development is a-

"multi-dimensional procedure involving a major alteration in popular attitudes, social structures and national institutions, as well as the speeding up of economic development, the decline of discrimination, and the alleviation of poverty. Development in its real meaning, must correspond to the whole scale of change by which an entire social system, twisted to the diverse basic requirements and desires of individual and social groups within that structure, shift away from a condition of life widely superficial as unsatisfactory and towards a situation or condition of life regarded as spiritually and materially better."

Development, therefore, is not described in terms of economic development (GNP/GDP) but is viewed as a social development, with stress on freedom of expression, qualitative aspects of life and fair distribution.

3.3 Development of Tourism
Tourism is a source for economic growth, explicitly in the developing world. Tourism sector has lent a hand to several developing states to shift away from a reliance on manufacturing and agriculture (Tooman, 1997). World Tourism and Travel Council (2008) estimated a steady growth for the tourism and world travel between 2009 and 2018, with average growth rate of 4.4% per year over the period, generating 297 million jobs and 10.5% of international GDP by 2018.

Tourism supplies a foreign exchange, raises employment, attracts domestic and foreign private capitals for development and enhances economic freedom (Britton, 1982). United Nation World Tourism Organization (2002) argues that tourism can escort to economic growth and economic development through its ability for job generation, foreign exchange revenues and its multiplier effect and connections with the local economy. Wall and Mathieson (2006) describes that in developing states, a shift from a conventional agricultural economy to an industrial economy is requisite for economic development and modernization. Therefore, the transformations require
an enormous capital and foreign revenues and this has motivated administrations in the developing states to respond tourism as a source of creating financial capital needed for the economic development. Tourism, for instance, has been a few development industries in the Caribbean, and for many has become the main source of revenues, accounts 50 to 70 percent of the region’s foreign exchange incomes (Shurland, 1998).

The input of tourism in the financial enhancement of a country has not freed from criticism. Even though tourism appears to be adding significantly to the economic growth of many of these regions, but some developing states are not receiving plenty benefits from tourism industry. In the view of Pleumarom (1999) recognizes that more than two-thirds of the income from global tourism never reaches to the local financial system because of high foreign exchange leakage. Leakage refers to the sum of money that leaves an economy to bring in services and goods required for the tourism growth. For instance, resources and materials brought in from other country to build up tourism infrastructure, people fetched to occupy tourism jobs, and supplies purchased somewhere else to provide to the specific needs of tourists are all showing examples of leakage (Vaugeois,). According to Torres and Momsen (2005) states that tourism growth increased the reliance on foreign imports which in place compete with the progress of local small industry and agriculture. In developing countries, tourism benefits frequently do not accessed the local public, as the big proportion of the benefits are transmitted to international companies, national governments and non-local entrepreneurs (Britton, 1991; Bryden, 1973; Mowforth and Munt, 1998). Whether tourism is beneficial or non-beneficial for the economic growth of a country, relies on the amount of a tourism demand, the pattern of the economy and the structure of the tourism industry.

### 3.4 Tourism Impacts

Ever since 1970’s, many tourism impact studies has been conducted (Mason and Cheyne, 2000; Lankford et al., 1997; Tosun, 2002; Sebastian and Rajagopalan, 2009; Gursoy and Rutherford, 2004). The main focus of these research studies were on economic impacts while little work has been done to scrutinize environmental and social impacts of the destination countries. The tourism impacts can be negative or positive on tourists and the host countries. The study has mainly focused on economic and socio-cultural impacts of the studied area. The following part
describes a detailed review of literature regarding economic, social and cultural impacts of tourism.

3.4.1 Tourism Economic Impacts
Many research studies have revealed that tourism has a major impact on the economies of the destination countries. Various tourism researchers (Dincer and Ertugral, 2003; McIntosh and Goeldner, 1984; Torres and Momsen, 2005) studied the economic impacts of the tourism. Some argued that tourism shares in income generation and improved standard of living (Milman and Pizam, 1988; Caneday and Zeiger, 1991; Liu and Var, 1986); some (Sebastian and Rajagopalan, 2009; Ross, 1992) claim that it creates work opportunities; some (Milman and Pizam, 1988; Brougham and Butler, 1981) recognize that it raises the tax revenues. The major economic impacts of tourism relate to employment and income generation, contribution to government revenues, foreign exchange earnings etc. According to Cater (1987:202) articulates that “in developing states, tourism appears to be a magnetic proposition in income much needed foreign money. Tourism has encouraged employment and investment, made a constructive contribution to the balance of payment and modified land use and economic structure”.

Other researchers (Torres and Momsen, 2005; Shivji, 1973) are of the view that economic impact of the tourism brings some negative impacts to the tourist destination as well. According to Torres and Momsen (2005:261) describes that: “tourism development usually results in increased reliance on foreign imports that is in turn compete with or reduce the growth of a local small industry and agriculture, while also draining the valuable foreign exchange assets”.

In developing countries the earnings are mainly accrued by non local entrepreneurial elites, multi-national companies and national governments and the local inhabitants are usually bypasses (Britton, 1991; Mowforth and Munt, 1998). The following segment discussed the main economic impacts created by tourism.

3.4.1.1 Employment and income generation
Tourism industry generates work opportunities in three ways: direct, indirect and induced. In addition, the tourism industry generally demands semi-skilled and unskilled workforce compared with other industries. Several less developed stated do not have trained or skilled workforce and for these countries tourism can create employment opportunities. In developing countries the
expatriate generally occupy the executive jobs whereas the local people involved in a low paid occupations.

Lea (1988) articulates that a high income from the tourism sector does not generate proportionately more occupations. He also mentions that knowledge and skill of the local people effects on tourism employment. He furthers describes that tourism has a little effect in unemployment reduction because it generally hire employee from other sectors or generate part-time occupations and most of the tourism relevant professions are seasonal or based on demand. Burns and Holden (1995) are of the view that employment pattern in tourism might clash with the cultural and traditional patterns. For instance, shift-based jobs at night might generate negative consequences like attitudes amongst the worker and the traditional cultural system might not allow this as well. In tourism industry, the main requirement is for unskilled or semi-skilled professions (ibid). Most jobs are on seasonal basis and this may affect the overall career of employ. In numerous countries, the tourism workers do not have any trade union to represent themselves. This is not just a case for developing countries, but sometimes it also happens in developed countries.

The lack of skilled labor in tourist destination work forces, local entrepreneurs employ trained skilled persons from other cities and they receive more financial benefits and higher positions. The low paid jobs usually left for the local people. Harrison (1992) is of the view that in developing states, the elite who generally promote tourism businesses, typically enjoys the chief portion of benefits generated by tourism. These circumstances confine the local community’s capacity to make the most of the benefits from tourism industry (Inskeep and Kallenberger, 1992; Long, 1991; Tosun and Jenkins, 1996).

3.4.2 Social and cultural Impacts
Compared to the economic impacts, very little research has been carried out to examine the social and cultural impacts of tourism growth on the local population. Tourism industry causing negative or positive impacts on local peoples must be addressed and considered for the long-term sustainable progress of the industry. In the view of Pizam and Milman (1984) describes socio-cultural impacts as:
“the ways in which the tourism industry is contributing to alteration in individual behavior, moral conduct, value systems, collective lifestyles, family relationships, creative expressions, community organizations and traditional ceremonies.”

The tourism development impacts on the societal life can both be positive or negative. According to Pizam and Milman (1986) recognizes some various types of social and cultural impacts: transformation of types and forms of jobs; transformation of values; impact on population structure; modification of consumption patterns; benefits of tourists and influence on traditional life style. Researchers also describes the social impacts of tourism on host societies including the impacts on leisure opportunities (Lankford, et al. 1997; Ross, 1992); offense (Haralambopoulos and Pizam 1996); traffic jamming (Liu et al., 1987); alterations in law and order situation (Travis, 1984); child begging and prostitution (Pandey, 2006; Besculides, et al. 2002).

3.4.2.1 Improvement of quality of life
It is discussed earlier that tourism generates employment and therefore enhances the people’s income in the destination communities. The income and employment generation in turn brings the economic enhancements to the local society and thus advancing the living standard by providing conveniences in the form of goods and services. For instance, in Maldives tourism is the top donor to GDP. About fifty-seven percent of entire jobs or one in every 1.7 jobs is generated by tourism industry. Tourism sector has been the major source of tax revenue and foreign exchange incomes for several years. This has helped the administration to allocate economic resources for improving the health and education conditions. There is almost 60 percent decrease in infant mortality rate and increase 70 percent in literacy rate from 1977 till 2004. In the same phase, average life expectancy at birth rose from 47 to 67 years (UNDP, 2006). According to Suntikul (2007) describes that incomes from tourism industry has a positive effect on the population of village Ban Nalan, Laos, where a good amount of tourism profits is used to provide the village dwellers a supply of pure drinking water.

3.4.2.2 Tourism Impacts on Family Values and Structure
One of the key social impacts of tourism is alteration in a family value system and structure of the host societies. In the view of Hashimoto (2002), tourism industry seems to have a preference for using female employment in the tourism industry. In developing countries, the females make more money than their male counterparts as they are doing work in the customary type of jobs.
This situation enables women to play a decisive role in her family and society which ultimately lead to changes in a family structure and the power structure in a society.

3.4.2.4 Tourism Impacts on Ethical Behavior

The major ethical issues related to tourism impacts are crime, gambling, prostitution and sex tourism (Harper, 2001; Shaw and Williams, 1994; and Leung, 2003). Different countries of the world such as Philippines and Thailand exploit sex tourism to magnetize the tourists to make plenty foreign exchange incomes. For example, Hall (1996) describes that the government of Thailand has taken constructive steps to support sex-tourism in Thailand. In the view of Pandey (2006) points out that sex-tourism in the rural region of Kerala in India is escalating day by day. He further point out that other negative impacts of tourism in rural India, as steadily village inhabitants are altering their conventional style of costume and males of the villages who meets with the foreign tourists develop sexual relationships and may become reckless towards their family. Whereas on the other side, Lea (1988) states that it is hard to discover evidence about the role of tourism to support prostitution. For instance, high levels of prostitution are there in Nigeria which possesses low levels of tourism involvement. In the view of Opperman (1999), sex tourism is not merely a matter of financial exchange; rather it should be anlaysed from a multi-dimensional viewpoint. Haralambopoulos and Pizam (1996) describes that a crime should be considered as an externality of the development of tourism. But Ryan (1993), Mathieson and Wall (1982) explain a positive relationship between the development of tourism and increase in crime. Wall and Mathieson (2006) recognize that the incidence of felony depends on issues like a criminal activity in the region, the phase of development of the destination point and the nearness of a tourist region. However, according to Ryan (1993) states that tourist frequently creates opportunities for criminality. In the view of Chesney-Lind and Lind (1985) recognize that in developing countries, major differences take place between the guests and earnings of the hosts also leading to an augmented aggravation in the host society that sometimes results in committing a felony.

Gambling is considered as the most vital tourist attractions mostly in developed countries to earn plenty tax incomes (Hsu, 1999; Meyer-Arendt and Hartmann, 1998). Therefore, private and public sectors in Canada and United States of America utilize this business to promote tourism in local regions. According to Stokowski (1998), the casino business provides 28% of its direct
employment to the people of Atlantic City and also increases revenue in United States. But on the other hand, Kang, Long and Perdue (1996) claims that gambling also causes some negative impacts on the social image of the peoples.

Therefore it can be assumed that policy makers must reflect on the social image and costs of gambling prior to computing its economic revenues and should not overlook its long term cultural and social costs in favor of the instant economic achievements.

3.5 Summary
This chapter provided some theoretical viewpoints on the research topic. At the begining, the concept of economic development was described and discussed. Afterward the role of tourism in development was presented. After that in depth review of literature on the role of tourism in socio-economic development was presented. The major economic impacts of tourism on destination regions include job generation, the foreign exchange revenues, and investment. On the other hand the major social and cultural impacts of tourism are in the shape of enhancement in quality of life, impacts on family values and structures, impacts on language and ethical behavior are presented.
Chapter Four: Case Study

4.1 Introduction: Azad Kashmir Overview
This research is carried out in Azad Kashmir and the data are gathered from Rawalakot and Banjonsa as this is the case area for research study. For this purpose, the chapter presents an overview of Azad Kashmir to let the reader familiarize with the background of research. Researcher describes the geography, history, demography, climate, culture, governmental and a political structure, employment and economy in section 4.2. Section 4.3 discusses the tourist attractions in Azad Kashmir, tourism in Azad Kashmir, tourism policies in Azad Kashmir and Azad Kashmir Tourism and Archaeology Department. Section 4.4 provides an overview of Rawalakot and Banjonsa providing its socio-economic background and tourism growth in this area. The last part of this chapter provides a concise summary.

4.2 Azad Kashmir at a Glimpse
In this part, an accurate information on key dimensions of Azad Kashmir is presented to enable the reader understands the background of this research.

4.2.1 Azad Kashmir History
After the division of Sub-Continent in 1947, the former princely States were offered the option of joining either Pakistan or India. Though, Hari Singh, the former king (Maharaja) of Jammu and Kashmir wanted Jammu and Kashmir to remain autonomous. To acquire some time, he signed a standstill contract which sidestepped the agreement that each princely State would join either Pakistan or India. In view of historical, religious and geographical links the people of Jammu and Kashmir (a former State) demanded independence, in its place, entered an ill-fated conspiracy with the Hindu leadership and agreed with India. This flashed the freedom movement of the Muslim population of the State against the Dogra (a former Hindu leader) and Indian forces in Jammu and Kashmir. As consequences of this liberation movement, some part of the State was liberated from the Dogra authority in 1947 which is called Azad Kashmir (Khan M.A, 2011).
4.2.2 Azad Kashmir Geography and Climate

The state of Azad Kashmir is located at 73.26 to 80.30 longitudes and 32.37 to 36.58 latitudes. It lies in the middle of the Asian subcontinent. Geographically, historically and culturally, Azad Kashmir is a part of Central Asia. Azad Kashmir borders with four big states. China and Tajikistan lies on the north of Azad Kashmir and India and Pakistan lies on the south.

Fig 4.1: Map of Azad Kashmir

Source: http://kashmirstudygroup.com/awayforward/mapsexplan/languages.html

The area of Azad Kashmir is 13297 square kilometers (5134 square miles). The state is a land of rivers cress-crossed throughout the mountains; the main rivers are Jhelum, Neelum and Poonch. The northern part of Azad Kashmir encompasses the lower region of the Himalayas, including Jangarh-Peak (4,734 meters). However, Serawali-Peak (6326 meters) in Neelum Valley is the highest peak in the State. Mountainous valleys, fertile and greenery are the characteristics of Azad Kashmir’s topography, making it one of the most beautiful regions in the sub-continent (Saeed Asad M, 2009).

The climate of Azad Kashmir is Sub-tropical highland type. The region receives rainfall both in summer and winter season. The area of Azad-Patan and Muzaffarabad (a Capital City) are among the wettest areas of Azad Kashmir. All over most of the regions, the average rainfall
exceeds (1400 mm) with the highest average rainfall occurring near Muzaffarabad about (1800 mm). In summer season, monsoon floods of the river Neelum and Jhelum are common due to the extreme snow melting and rains (AJK, 2011).

4.2.3 Azad Kashmir Demography
According to “2012 population census report”, Azad Kashmir has a total population of 3.963 million (Census Report, 2012). The population contains 50.18% male and 49.82% females. About 99.9% population comprises of Muslims. Mostly the population lives in villages and these villages are located on the mountains and foot-hills. The Rural: Urban population ratio is 88:12. Average family size is estimated at 6.7 members. Literacy rate which was 55% in 1998 census has now increased to 64% (ibid).

4.2.4 Government of Azad Kashmir and its Political Structure
Azad Kashmir is a self-governing state under the control of Pakistani administration, but under the constitution of Pakistan the state is not a part of it (AJK Introduction, 2007). Azad Kashmir has its own elected Prime minister, President, legislature and official flag. The Pakistani government has not yet permitted Azad Kashmir to issue its own official postage stamps. Postage of Pakistan is used, instead. Financial matters of Azad Kashmir, i.e. tax affairs and budgetary, are dealt by its own administration body rather than by Pakistani board of Revenue (ibid).

The human rights of the people of Azad Kashmir have been the subject of debate. According to Brad Adams, director at Asia “Human Rights Watch” articulated in 2006.

“Although ‘Azad’ mean freedom, the inhabitants of Azad Kashmir are anything but. The Pakistani administration rules Azad Kashmir with strict controls on basic freedoms” (Human Rights Report, 2006).

4.2.5 Azad Kashmir Economy
Poverty is all-encompassing in Azad Kashmir with 40% of the population dwelling in absolute poverty having less than one US dollar per day incomes (AJK Economic Review, 2011). Expectancy of life rose from 45 years in 1960 to 65 years in 2003. In 2005 Azad Kashmir was hit by 7.6 magnitude of earthquake which caused a severe damage to the state’s economy (ABS, 2003). But last couple of decade indicates that the state achieved a significant growth in its
economy. The statistical figure shows that the GDP growth rate over the last three decades increased from 1.6% to 6.3%. Before 1970s the economy of the state was entirely dependent on agriculture but with the passage of time industries and remittances became the major contributor in the economy of Azad Kashmir. However, agriculture is still playing a significant role in the economy of Azad Kashmir as around 70% of the population is dependent on it (ibid).

4.2.6 Azad Kashmir Employment
Approximately 60% of the manual labor force is directly and indirectly employed in agriculture sector and only 15% is employed in industry. Job redundancy ranges from 9.0 to 13% (AJK Economic Review, 2011). In addition to industries and agriculture, remittances also play a key role in the economy of Azad Kashmir. According to Nizami 2012, “District Mirpur, the wealthiest city in Azad Kashmir, is recognized to many as ‘Mini-London’. The reason is that Kashmiris residing in the UK, who keep strong ties to Mirpur, have contributed considerably to the city’s progress with a stable influx of pound sterling”.

With regard to annual household income, people living in the rural areas are more dependent on remittances than are those living in the urban areas. Majority of the rural population depends on agriculture, livestock, forestry and non-formal employment. National average per capita income has been estimated to be 1254 US$. Major crops are Maize, Wheat & Rice whereas minor crops are Grams, Pulses (red kidney beans), Oil-seeds and Vegetables. Major fruits produced in Azad Kashmir are Pears, Apples, Walnuts and Apricot. Agriculture and livestock income ranges between 30-40% of rural household earnings (AJK Economic Review, 2011).

4.3.1 Attraction of Tourism in Azad Kashmir
Azad Kashmir is not yet completely discovered by tourists. Its snow covered peaks, rivers, lakes dense forests, green plateaus and climate varying from arctic to sub-tropical, all stick together to make it to an possible tourist site. The main tourist sites include Banjonsa Lake, Mangla Lake, Rawalakot, Toli-peer, Leepa Valley, Badori, Loonbagla, Sudden-Gali and Pirchnasi. Some of the archaeological spots are Mughal mosque, Gurdwara- Ali-Baig Temple, Burgen Fort, Baradari (Ruins of Thakar Dawara), Hindu-Temple Gojra, Khoiratta (Caves of Ancient Times), Red Fort, Black Fort, Sharda Fort, Mangla Fort and Ramkot Fort (AJK brochure, 2011). Azad Kashmir has a diverse mountainous landscape ranging from low hills to high mountains (2000 to 6000 meters) which is suitable for soft to medium adventure tourism like trekking, rock climbing, summer
camping, mountaineering and hikes. With many of streams and rivers, the state also offers opportunities for water sports like kayaking, rafting and canoeing (ibid).

4.3.2 Azad Kashmir and Tourism
Since 1960s the growth of tourism began in this state mostly found in Muzaffarbad (a capital city), Rawalakot and Mirpur and then extended to all over the state. The ten year Development project (1970-1980) for the promotion of tourism industry in Azad Kashmir was endorsed by the administration of Azad Kashmir with Pakistan (AJK, 1989). The development project contained proposals about the improvement of tourism industry in Azad Kashmir. According to this project, the main areas in Azad Kashmir recognized for the growth of tourism are Rawalakot, Banjonsa, Neelum Valley, Toli-pir, Dao Khan, Chikkar, Pirchinassi, Mangla and Bhimber. The Azad Kashmir administration planned to promote and develop tourism industry by investing the public money as private involvement. In 2001, Azad Kashmir “tourism and archeology department” has signed Memorandum of Understanding (MOU’s) with Alpine Club, Pearl Tours and Pakistan International Airlines (PIA) as a private involvement to increase tourist related activities in Azad Kashmir (AJK Report, 2010).

- **Alpine Club of Pakistan (ACP):**
  Their activities include rock climbing, high altitude expeditions, paragliding and water rafting.

- **Pearl Tours & Travels Limited (Hashoo Group) as General Sales Agents:**
  Their activities are to promote and marketing of Azad Kashmir tourist destinations, arrange orientation trips for selected/leading tour operators of the state including travel agents, writers and media personnel.

- **Pakistan International Airlines (PIA):**
  Their activities are to provide air services in Rawalakot and Muzaffarabad by providing 20-seater aircrafts.

The “Public Works Department” (PWD) under the ministry of communication was appointed for promoting tourism infrastructure in Azad Kashmir. According to Chari et al 2011, Azad Kashmir government increased the tourism development budget in 2006. The Public Works Department launched the “Piyara Kashmir” (Beautiful Kashmir) program in 2009. Under this program, 275 million (PKR) has been assigned for tourism infrastructure development such as tourist lodges, rest houses, motels, huts and related facilities (ibid).
4.3.3 Tourism Policies in Azad Kashmir
The Azad Kashmir authority acknowledged that tourism industry can bring a significant contribution to the economy of state and can also increase financial assets (AJK, 2011). Even though, Azad Kashmir has many manmade and natural resources which would attract tourists for tourism but until this moment a little measures have been taken to exploit these opportunities. The tourism policies in the state recognized that the outcome of tourism industry does not mirror its potential even though with their growing number of tourist arrivals. In 1960s, several plans were organized to develop the tourism industry in Azad Kashmir but no achievement has been obtained. The state established “AJK Tourism Department” and conferred it all the responsibilities concerning the growth of tourism industry in the state. The Government participation and its share in the economy of the developing nations are essential as most of the nations are characterized by insufficiency of resources like lack of skilled resources and infrastructure.

The state of Azad Kashmir produced a “National Tourism strategy” in 1990 to deal and fix the errors of the earlier plans and concentrates on key issues such as lack of private sector investment, uncoordinated development and lack of funding. The strategy makers consider that tourism can bring a major contribution by ensuring the amplified private sector investment, poverty alleviation and generating employment. Government of Azad Kashmir designs the “National Tourism Strategy” to obtain the above mention achievements through particular policies i.e. enhancing funds to construct infrastructure, offering incentives for local investments, supply marketing conveniences to build up and expand small scale businesses, involving private sector interests, etc (AJK, 1992).

4.3.4 Azad Kashmir Tourism and Archaeology Department
After the independence in 1947, Tourism department was operating as an attached small unit of Forest Department with a few tourism officials. It ensures tourism supply and marketing facilities for tourists at a small scale. Most of the progress of tourism infrastructure and marketable operations were assigned to the private sector. Therefore with the growing need of tourism management and facilities, the government of Azad Kashmir established the “AJK Tourism and Archaeology Department” in 1975. It is self-regulating administrative centre and its
responsibilities are to promote, regulate and develop the tourism industry in Azad Kashmir (AJK, 2011).

**Fig 4.2: Azad Kashmir Tourism and Archaeology Department**

![Azad Kashmir Tourism and Archaeology Department](http://www.alltravels.com/pakistan/azad-kashmir/muzaffarabad/photos/current-photo-56053574)

**Source:** http://www.alltravels.com/pakistan/azad-kashmir/muzaffarabad/photos/current-photo-56053574

**4.4 Rawalakot and Banjonsa: the Case Areas for Study Research**

Rawalakot and Banjonsa lies in the heart of district Poonch and cover an area of 855 and 600 square kilometers in Azad Kashmir. Village Banjonsa is located at a distance of 25 kilometers from Rawalakot. The altitude of Rawalakot is 1615 and Banjonsa is 1700 meters. Muzzafarabad (a capital city) of Azad Kashmir is about 160 kilometers from Rawalakot and 185 from Banjonsa (Saeed Asad M, 2009). A map of Rawalakot and Banjonsa is presented in figure 4.3.
The district Poonch covers an area of 2792 square kilometers. It is located at 73-35 to 74-25 longitude and 33-45 to 35-8 latitude and bounded by the district Muzaffarabad in the north, district Havaili in the east and district Sudhanoti in the south. Before 1965, the Rawalakot was known as a “Pearl Valley” and then the name was changed to Rawalakot (ibid). To trace the identity of today’s Rawalakot, one need to trail back to its history. The entire Poonch district was ruled by different Muslim Rajas of Loran from 17th century till 1837 A.D. It then fell into the hands of Faiz Raja Talib khan of Rajori (Khan M.A, 2011).
In 1846, this district was given to Maharaja Gulab Singh under the treaty of Amritsar. Maharaja Gulab Singh handed over Rawalakot, Banjonsa and other villages in district Poonch to his nephews Moti Singh and Jawahar Singh with the condition that they would not make any administrative change without the permission of Maharaja (King) of Kashmir. So, in 1945 when Pakistan came into being, the people of Poonch district started an armed struggle against the Maharaja Dogra (the former King of Kashmir) as well as Indian forces and got the region liberated which now administratively divided into many villages, Rawalakot and Banjonsa are among those villages (ibid).

**4.4.1 Socio-economic Background of Rawalakot and Banjonsa**

Rawalakot has a population of total 24900 respectively 21910 for Banjonsa, and the religious compositions of these populations are 99.9% Muslims (Census Report, 2012). *Sudhazai, Khwajgan and Abbasis* are among the tribal groups who have been migrated from Ghazni (Afghanistan) and living in Rawalakot and Banjonsa since 1600. Currently, 18000 are sudhazai caste and the rest is Khwajgan living in Rawalakot area (Khan M.A, 2011) while in Banjonsa, 15000 are Abbassis caste and the rest is Sudhazai living in the village which provides a distinctive feature of this destination in terms of ethnicity. Table 4.1 shows the demographic composition of Rawalakot and Banjonsa.
### Table 4.1: Demographic Composition of Rawalakot and Banjonsa

<table>
<thead>
<tr>
<th>Item</th>
<th>Figure</th>
<th>Item</th>
<th>Figure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>13600</td>
<td>Male</td>
<td>11850</td>
</tr>
<tr>
<td>Female</td>
<td>11300</td>
<td>Female</td>
<td>10060</td>
</tr>
<tr>
<td>Total population</td>
<td>24900</td>
<td>Total population</td>
<td>21910</td>
</tr>
<tr>
<td>Population Growth Rate</td>
<td>2.24%</td>
<td>Population Growth Rate</td>
<td>2.14%</td>
</tr>
<tr>
<td>Households</td>
<td>4980</td>
<td>Households</td>
<td>4382</td>
</tr>
<tr>
<td>Household Members</td>
<td>7.6</td>
<td>Household Members</td>
<td>7</td>
</tr>
<tr>
<td>Literacy Rate</td>
<td>60%</td>
<td>Literacy Rate</td>
<td>55%</td>
</tr>
</tbody>
</table>

**Source: Census Report, 2008.**

The data in the above table shows that Rawalakot has 24900 inhabitants while Banjonsa has 21910. The population growth rate in Rawalakot is 2.24% whereas Banjonsa shows 2.14%. There is 4980 a total number of households in Rawalakot and each household comprises of average 7.6 members, while Banjonsa has 4382 households and each household contains average 7 members. The major reason behind this population density is the work opportunity and availability of diverse economic activities in these villages. Average literacy rate in Rawalakot is 60% and Banjonsa is 55%, which is high as compared with other areas in Azad Kashmir (Census Report, 2008). Usually, the Rawalakot and Banjonsa economy was dependent on the wood business and agriculture productions. The wood business and agriculture were unsuccessful because of the harshness to export it to the near Pakistani border “Rawalpindi”. Therefore, the work chances for the locals in Rawalakot and Banjonsa become limited.
The town of Rawalakot and Banjonsa obtains over 60% of tourist influx. In Poonch district Rawalakot, Banjonsa and other adjacent villages are measured as regions with high poverty occurrence and deprived living situations. Approximately 60% of the households make two dollars per day, as according to the administration statistics households which earn two dollars per day are measured as poor (AJK Economic Review, 2011). The people in Rawalakot and Banjonsa cannot manage to pay for nutritional food and around 55% of the populations reside in the sheltered houses provided by “Kashmir Re-construction Program” after 2005 earthquake (AJK Survey, 2008). Around 68% households have access to power facilities and 48% have access to hygienic water. Agriculture production is becoming less in Rawalakot and Banjonsa because of urbanization. About 20% of the population work in agriculture, 15% in wood business and 20% are self employed in Kashmiri tea selling, grocery stalls and poultry business. Approximately 45% of the peoples are drawn in small enterprises such as jobs in restaurants, transport, hotels and tuck shops (AJK Economic Review, 2011). Therefore, it can be assumed from the above statistics that more than 45% of Rawalakot and Banjonsa dwellers are directly and indirectly engaged with tourism sector.

### 4.4.2 Household Structure and Strategies

In Azad Kashmir households are structured within a particular set of social and economic situations and increasing the income earners ratio to non-income earners within a household is a particular strategy used to deal with poverty (Daud M. J, 2009).

According to Daud (2009), household structure in village Rawalakot and Banjonsa is consisting of a husband, wife and their married and unmarried daughters and sons all residing in a single house. Father is considered the household head among all the household members. Household members may be the son’s wife of the household head, an uncle, nephew or a cousin. It is common for these relatives to be members of household head i.e. paternal line than that of maternal line, just as it is also common for brothers to live with the household head than sisters. But parents, aunts, siblings and uncles of the wife do join the household as well. Mostly their extended kin groups, i.e. uncles, aunts, married daughter lives nearby. They remain devoted, certainly, to the joint family culture in Rawalakot and Banjonsa.
Mostly the houses are made-up of clay or cement depends on the economic status of the household head. Each household member has its own room but a shared single kitchen. The daughter leaves her parents house after getting married. Brothers are living together because it is the culture in Rawalakot and Banjonsa respectively; the people say “that joint brothers are like the fingers of a single hand, powerful and strong among the community” (ibid). The extended family with married sons residing in their father household has apparent advantages in an agricultural society. Father owing a land provides a labor work to his sons on his land. The incomes coming from the shared work on the land only receives by father i.e. “Household Head” which he then invests on the welfare of entire household. The unmarried daughter has to take care of household members by providing them a cooked meal on time and house cleaning services.

Getting access to labor work for more than one adult household member whether in the form of labor or agricultural produce enhances the living standard of a household. These are the household strategies used in Rawalakot and Banjonsa villages. Mostly people in Azad Kashmir also believe that in joint or extended family faces domestic problems. Household members sometimes quarrel with one another over the unfair distribution of shared resources. It usually happens with families in Rawalakot and Banjonsa respectively, that after the death of a father i.e. (Household Head); the land is invariably distributed among the household members (ibid).

4.4.3 Social Class
A social class is a homogeneous group of people in a society formed on the combined basis of Occupation, Education, Income and place of residence (Saunders P, 2001).

In Azad Kashmir there are poor and rich people, there are families of commoners and families of high birth and there are politically powerful elites and comparatively powerless people who are expected only to follow commands and obey orders. According to G. Mir (2009), the social classes of Azad Kashmir is formed in three categories i.e. upper social class; middle social class and working social class are discussed below.

Upper Social Class
The upper social class people have high level of financial sources to live a luxury life. They are entrepreneurial level professionals, leaders, top management of company and high ranking
government professionals. Their children are getting education in private schools and paying high fees. They reside in the most luxurious, calm, clean and safe areas in a country where middle and working social class people cannot afford to live. Most of the upper social class peoples reside in a capital city of Azad Kashmir i.e. “Muzzaffarabad” (ibid).

**Middle Social Class**
The middle social class people own an adequate amount of money for their normal daily life consumptions. They holds a middle level paying professions like low ranking government jobs, middle management jobs, owning small to medium size businesses. A middle class person also owns a land. Mostly their children are studying in a government schools which are not a high standard and providing good facilities as compared with the private schools. They also live in clean places but their houses are not big and secured as compared with the upper social class. Peoples belong to middle social class is mostly residing in urban areas of Azad Kashmir (G. Mir, 2009).

**Working Social Class**
The working social class people are not much more educated. They are not having a good jobs and their income is also very low. They can hardly manage money for their daily life consumptions. They build one or many rooms in a house but not cemented, electricity and clean drinking water is almost not available in their houses. They are the owner of small lands and temporary based shops and mostly they are semi skill and unskilled peoples. Mostly their children are not studying, but involved in a child labor because their parents cannot afford their health and educational expenses. The parents also have a jobs in a government offices but at a very low level i.e. clerks, drivers, peons, gardeners etc. Average working class peoples are residing in rural areas of Azad Kashmir. In Rawalakot and Banjonsa villages, most of the inhabitants belong to middle and working social class (ibid).

### 4.4.4 Gender Role
A gender role is a set of behavioral and social norms that are generally considered suitable for either a man or a woman in an interpersonal and a social relationship (Fenstermaker et al, 2002). Considering the diversity of Kashmiri society, gender roles has different meanings for women and men from different strata. In Rawalakot and Banjonsa, the female status is always considered
inferior than the male. Females are neglected in getting education, food, health care and freedom of choice of a life partner, number of children and other essentials of life (Hassan M, 2005).

In a local culture and society of Rawalakot and Banjonsa, the females are considered responsible for preparing meals, doing laundry, cleaning house, grocery shopping, washing dishes and caring for children. The working of females outside the boundaries of their homes is regarded disrespectful and unethical among the families. Females must cover their face when they go out from a house.

Males are believed as the masters of women's destiny in a society. Males are assumed as a social caretaker and are entitled to special privileges by virtue of their economic responsibilities i.e. the males are considered as a chief source for economic support in a household, bear all the expenses of health and education. The females are most often allowed to study at low level of education i.e. 10 class, and then quit education and perform an internal household tasks, while the males can get education at higher levels in a family (ibid).

4.4.5 Cultural Notions
Cultural notions of Rawalakot and Banjonsa inhabitants are reflected in different walks of life. Some aspects of their cultural notions are given below:

**Belief System:** Religion forms an all-encompassing component of culture in Rawalakot and Banjonsa. The villages are occupied by believers of Islam. Islam is the dominant religion in Rawalakot and Banjonsa. Religion has played a key role in shaping their cultures, customs, rites, rituals, festivals, ceremonies, fasts, food etc. Therefore most of the festivals are religious like “Eid-ul-Fitar”, “Eid-ul-Azha”, “Id-Milad” and “Miraj-i-Alam” etc. Each festival brings enjoyment and socio economic activity in Rawalakot and Banjonsa (Zaman A, 2003).

**Id al-Fitr:** Id al-Fitr is the most famous festival of peoples living in Rawalakot and Banjonsa villages. Id al-Fitr is celebrated after the ending of thirty days (Fasting) in the month of Ramadan i.e. June. Fasting is a religious activity and has also made a culture among the villagers in which adult male and female do not eat and drink in the whole day. When the day finishes, they break their fasting and eat. Id al-Fitr is treated as the day of gratitude to honor the complete observance of the holy month of Ramadan. The day starts with the offering of collective prayers in the mosque after which the villagers congratulate and hug each other. It is a happy occasion with
villagers wearing new clothes and offering good wishes to one another. They also prepare local dishes like Shab-Deg, Sawaiyan, Special Kashmiri tea, Yakhni and send to kin groups and neighbors (ibid).

**Id al-Adha:** Id al-Adha is celebrated to pay a tribute for the sacrifice of Prophet Ibrahim when he was to sacrifice his son to the glory of Allah (God). According to Islamic history Prophet Ibrahim had a dream in which he was directed to sacrifice his dearest thing in the name of Allah. Rawalakot and Banjonsa inhabitants use to offer buffalo or sheep chopped meat among the family members. It is a very special occasion takes place each year. Some of the poor families in the village cannot afford to buy a cattle or buffalo. So in this festival, well-off families who has purchasing power to buy a sheep, cattle or buffalo and sacrifice and distribute their meat in a kin groups, neighbors and poor peoples (Zaman A, 2003).

**Id-Milad:** Id-Milad is celebrated as the birth anniversary of Prophet Muhammed. On in this occasion, followers visit the holy Hazrat-bal shrine where the holy historical objects of Prophet Muhammed are shown to the followers.

**Marriage Ceremonies:** In Rawalakot and Banjonsa, the services of a match-maker (one who finds the perfect match for a bride and groom) are gained to get a suitable bride. After the match is decided, the engagements ritual takes place in which the groom’s father with kin groups visits and takes gifts to the bride’s home. The visit is afterwards paid back by the bride’s father and her relatives. After some months a date is fixed for the marriage, which is properly honored in the ceremonial gathering among the villagers.

**Death ceremonies or rites:** Muslims believe in the life after death. When someone approaches his/her death in a village, he/she is laid on bed with his/her head towards the east or north. After death, the dead body is bathed and covered in white cotton cloth (*Kafan*). The corpse is then carried in a coffin (*Tabut*) to the cemetery where it is buried in the grave. At the burial time, “*Quranic*” verses are recited and prayers are made for the departed spirit. There is collective mourning in the family of the dead for three days. Relatives, neighbors, extended kin groups and friends come to the family for sharing grieves. The joint family system has made the culture in Rawalakot and Banjonsa to help out the family members and extended kin groups in time of need, grieve etc (ibid).
**Handicrafts:** Azad Kashmir is famous for making traditional handicrafts and artifacts. Mostly women are used to make Cashmere Shawls, Pashmina Shawls and Carpets which are hand woven and knotted by women inside their houses. Before the introduction of tourism in Rawalakot and Banjonsa, these handicrafts were used to send to other cities for sale for which in return they used to get low incomes due to high transport fares. But since 1990’s the demand for the locally made handicrafts in Rawalakot and Banjonsa is growing with the increase of tourism activities. Most of the workers are selling their handicrafts directly to the customer who comes to Rawalakot and Banjonsa for the purpose of tourism (Zaman A, 2003).

**Food and Drink:** Food system of a community in Rawalakot and Banjonsa forms one of the important aspects of their culture. Majority of the inhabitants in both the villages are non-vegetarians. The meat of Bufalo, cattle, sheep and hen is eaten on the condition of “Halal” chopping according to the Islamic viewpoint. The alcoholic drinks and meat of the pig is strictly forbidden in Rawalakot and Banjonsa. Rice is the traditional stable diet of village dwellers. The use of a wide variety of spices such as turmeric powder, aniseed powder, chilly powder, cardamom, ginger powder, saffron, black-pepper etc is very common among them.

**Dressing Style:** The dresses worn by the males in Azad Kashmir is local Kurta i.e. Shalwar-kameez. The usual male headdress of a common Kashmiri is a cotton round cap. While the Kashmiri females wear a local traditional lady costume i.e. Phirak-yezar. The nature of the costume varies according to the seasonal changes. In winter, they wear clothes made of fur, while in summer cotton clothes are used (ibid).

### 4.4.6 Tourism Development in Rawalakot and Banjonsa

Tourism development in Rawalakot and Banjonsa started during 1980s as the Azad Kashmir administration proposed to build up tourism infrastructure. The Department of “AJK Tourism and Archeology Department” was in charge for building up the tourism infrastructure in Rawalakot and Banjonsa. During that time, the tourism department built three guest-houses, four restaurants and five cottages in Rawalakot and two guest-houses, one restaurant and two cottages near Banjonsa Lake. In the year 1988, the State administration developed a project called “Tourism Development in Poonch”. Through this project, the state constructed five tourist lodges each in Rawalakot, Koyian, Banjonsa, Ghori Mar and Tatta pani (AJK Report, 2010).
### Table 4.2: Detail of Tourist Rest Houses in District Poonch

<table>
<thead>
<tr>
<th>S. #</th>
<th>Name of Lodges</th>
<th>Single Bedroom/Rent</th>
<th>Double Bedroom/Rent</th>
<th>Deluxe Room/Rent</th>
<th>Contact No’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tourist Lodge, Rawalakot</td>
<td>-</td>
<td>2 Rooms 850 PKR.</td>
<td></td>
<td>05824-920123</td>
</tr>
<tr>
<td>2</td>
<td>Tourist Lodge, Koyian</td>
<td>-</td>
<td>2 Rooms 850 PKR.</td>
<td>1 Room 1050 PKR.</td>
<td>05824-920123</td>
</tr>
<tr>
<td>3</td>
<td>Tourist Lodge, Banjosa</td>
<td>-</td>
<td>3 Rooms 850 PKR.</td>
<td>2 Room 1050 PKR.</td>
<td>05824-920123</td>
</tr>
<tr>
<td>4</td>
<td>Tourist Lodge, Ghori Mar</td>
<td>-</td>
<td>2 Rooms 850 PKR.</td>
<td>-</td>
<td>05824-920123</td>
</tr>
<tr>
<td>5</td>
<td>Tourist Lodge, Tatta pani</td>
<td>-</td>
<td>7 Rooms 850 PKR.</td>
<td>1 Room 1050 PKR.</td>
<td>05824-920123</td>
</tr>
</tbody>
</table>

**Source: AJK Tourism Department**

The Azad Kashmir government started to build internal roads in the tourist area, for example, Goi-nala road and Shara-e-Ghazni-e-Millet road, before that most of the internal roads were muddy.

**Fig 4.5: Goi-nala Road which connect Rawalakot with Muzaffarabad**

**Source: Photograph taken by Author**
After getting the independence, the significance of Rawalakot and Banjonsa as a tourist resort increased. In 1975, the Department of Tourism prepared a report to assess the tourism potential in Azad Kashmir and it recommended developing the areas Toli pir, Rawalakot and Banjonsa as a tourist destinations. Unfortunately, this proposal was not implemented by the Azad Kashmir administration as no monetary fund was allocated for tourism development (AJK, 1992). In 1980’s, tourism expansion activities were financed by “AJK Tourism and Archeology Department” (ibid). The state organized a committee in 1991 headed by the tourism minister to plan how tourism could be developed in Rawalakot and Banjonsa. The committee presented their report in 1992 that included a detail plan and recommended the land allocation for tourism infrastructure such as tourist parks, water sports, hotel motel zone, sports and golf.

For the enhancement of infrastructure, the committee proposed a various projects to be carried out on a short and long term basis in Rawalakot and Banjonsa. In short term, the committee spotted ten projects in Rawalakot and eight projects in Banjonsa and requested the state administration to assign 299.3 million Pakistani Rupees (PKR) to execute those projects. The committee wanted to complete those projects till 1999 but until 2012 only four projects in Rawalakot and two projects in Banjonsa are completed. In long term, the committee gave a proposal of six projects in whole district Poonch but none of them is completed yet (AJK, 1992).
4.5 Summary
This chapter discusses the Azad Kashmir history and provides its economical, social and cultural background with-holding the aim of creating an idea about the case areas i.e. Rawalakot and Banjonsa. This debate is crucial because the information about the case areas facilitate the readers to know the context in which the research is carried out and to associate its outcomes. The researcher presents this background to introduce the reader to the historical, geographical and economical context of the research region. It provides the debate on issues such as tourism in the state, government policies and plans of different duration and administration initiatives for enhancing this sector to validate the significance of this research.
Chapter Five: The Empirical Findings and Discussions

5.1 Introduction:
The previous chapter discussed the history, geography, climate, demography, culture, tourist attractions in Azad Kashmir, and history of tourism development in the study area. This chapter presents the empirical evidence of the socio-economic impacts of tourism in the two study villages including Rawalakot and Banjonsa. Through case studies, the researcher tried to identify factors contributing to socio-economic changes in the study areas.

5.2 Impacts of Tourism in Rawalakot and Banjonsa Villages

5.2.1 Tourism Positive Economic Impacts
The following are the positive economic impacts of tourism identified by the respondents of study villages.

5.2.1.1 Work Opportunities
One of the strongest arguments for tourism growth in developing countries is that it generates work opportunities for local people to increase their income (Toomam, 1997; Frederick, 1993; Wang and Godbey, 1994; Akma and Kieti, 2007; Diagne, 2004). In the view of Cukier (2002), tourism may produce three types of work opportunities: direct, indirect and induced. In the case areas, tourism has generated working opportunities for the local inhabitants. However, it is complex to determine the accurate number of inhabitants who have gotten work in tourism related activities due to the shortage of employment related-statistical data and the unwillingness of a tourism related organizations to contribute in the statistics to outsiders. Diagne (2004) also discovers the same circumstances when judging the tourism impacts in Senegal.

In Rawalakot and Banjonsa, most of the jobs are created through hotel, restaurant, transportation, coffee/tea shops, trading and retailing, local tour operations and self-employed and small entrepreneurs including tour guides, small shop owners, shop workers and vendors. Apart from this many new jobs are created through a real-estate development, construction and trading that is directly and indirectly related to tourism.
Following are the interviews conducted in Rawalakot and Banjonsa:

Maqsood is a 30 years old person. He belongs to the village Banjonsa. He is working as a boatman in Banjonsa Lake. Ten years back his father sold a piece of land and established a “Danish boating club” to provide boating services to tourists in Banjonsa Lake. During interview he narrated his story as:

“We are living near with the beautiful Lake of Banjonsa. The tourists started to visit our area when the government constructed the Banjonsa Lake. Before the construction of Banjonsa Lake, a majority of our villagers were used to migrate to other parts of Azad Kashmir and Pakistan in search of work. In 1980’s my father also migrated to Rawalpindi and started work in a bakery. I left my education uncompleted because my father could not afford my educational expenses. When the tourists started to come more and more my father decided to sold a piece of land and purchased two boats to provide a boating services to tourists in Banjonsa Lake. With the passage of time, our household income has started to increase. After sometime, my father established a boating club and now we have five boats providing boating services to the tourists. Our average monthly income is 70,000 PKR during a tourist season started from April to September. The living standard of my household has increased. My younger brother is getting a Master degree from Muzaffarabad University situated in Muzaffarabad, the capital of Azad Kashmir while the youngest sister is studying a Bachelor of Science degree (B.Sc. Hons) from Rawalakot Agricultural University situated 20 km away from our village. During a winter season, we usually do business of the second hand warm cloths and sweaters in Rawalakot City. He was of the view that my family mainly depends on the money earned from boating”.


Afzal Khaliq is a 26 years old person belongs to a village Banjonsa. He is the owner of a tuck shop located at the bank of Banjonsa Lake. His household consists of six members including two brothers, three sisters and a widow mother. He was only at the age of nine when his father died of the heart attack. After the death of his father, his mother supported her family by sewing clothes. In 2002, his mother sold her jewelry and sent his elder brother to Saudi Arabia for work. After the completion of a secondary school in 2004, Afzal Khaliq left his education and opened a tuck shop with the money sent by his brother working in Saudi Arabia. I asked him why he left school and opened a tuck shop, he replied as:

“After the completion of my secondary school, I wanted to join the Pakistan Army to support my family but unfortunately I was rejected on a medical reason. Then I asked my brother to arrange a visa for me to go to Saudi Arabia for work but my mother did not allow me and asked me to stay at home and look after my family. Then I decided to open a small shop near with Banjonsa Lake. It turned out to be very good for me and my family. In peak tourist season, a large number of tourists are coming from other parts of the country to enjoy the beautiful weather of Banjonsa Lake and surroundings. During the tourist season, I work from 9 AM to 7 PM and earn a monthly income of 30,000 to 35,000 PKR. Now I am not dependent on my elder brothers for financial support. As member of a joint family, I have to support the other members of my family. For example, I
contributed 400,000 PKR in meeting the expenses of my two sister’s marriages. I am also supporting my youngest sister’s education. Furthermore, I contributed into the construction of four room’s cemented house. The tourism development in our area helped me to work in my village and support my family”.

Fig 5.2: Afzal Khaliq a Tuck Shop owner

Mohammad Sarwar is a 65 years old man living near with Banjonsa Village. He is running a restaurant situated on the main road linking Banjonsa village to Rawalakot. Before establishing his restaurant, he was serving in Pakistan Army as a constable and retired from it at the age of 55. He has a household of total 14 members including three sons, one daughter, his son’s wives and their siblings. During interview, he shared his views as:

“After getting the retirement from Army, I decided to invest the money I have got from the government as a pension. The tourism development in our area provided me with an excellent opportunity to open a restaurant in my village. From the previous 15 years, the tourists started to come to our area and now days a large number of tourists are coming especially in the summer season. I have employed ten people including my two sons in my restaurant. I have sent my elder son to the United Kingdom (UK) for Work. He is also sending money from abroad regularly. By the Grace of Allah, I am earning much money from my restaurant. All my
grandsons are getting education in private schools. I have also invested some money in a real estate. Tourism development in our area changes the pattern of life of our villagers. Before tourism, due to a lack of work opportunities in our area, the people used to migrate to other areas in search of work and now the tourism development created work opportunities for the local people.”

**Fig 5.3: Spice Village Restaurant**

![Spice Village Restaurant](source: Photograph taken by Author)

Yakoub Mohammad, the resident of a village Rawalakot is running a café. He is 42 years old and has a household of eight members including four sons, two daughters and a wife. All his children are getting education in a private school situated in a village. His 35 years old wife is supporting him in preparing the Samosa and Pakora (sandwiches).

“Prior to my marriage, I was living with my parents and brothers in a joint family. In 1993, I got married with my cousin. My family bears all the expenses of my marriage. But after two years of my marriage, I separated from my parents due to some domestic problems. In 1998, I tried to go to Dubai but I could not able to arrange a visa fee. Then I borrowed some money from my father-in-laws and opened a small tea shop. My business started to grow steadily with increase in tourism related activities in our village. In summer, a large numbers of tourists are coming to enjoy the pleasant weather and the beautiful natural environment
of our village. Tourists are also coming in winter season to enjoy the snow falling and other winter sports. My average monthly income is 40,000 PKR. Furthermore, two persons are working in my shop getting 6,000 PKR per person.”

**Fig 5.4: A Café owner Yakoub Mohammad**

Source: Photograph taken by Author

Khaistha Rehman is a second hand shoes Seller and polisher in Rawalakot Village. Ten years ago, he migrated to Rawalakot from Bajawar Agency for work. He is the head of household comprising seven members including four sisters, two brothers and a widow mother.

“After the death of my father, I went to Karachi in search of work. But unfortunately, I was not able to find some reasonable job there. Then one of my cousin already working in a hotel as waiter in Rawalakot told me to come there. At the start, I worked as a daily wager in tea shop, then after some time I started a second hand shoes business. I also started to provide shoe polishing services to the tourists coming from various parts of the country. By the Grace of Allah, my business is doing very well. My monthly average income is about 25,000 PKR. I have also sent one of my younger brothers to Dubai for work. He is also sending money to home regularly. I also spent 150,000 PKR on my sister marriage. I am living a very happy life”. 
Fig 5.5: Khaistha Rehman a Shoes seller benefited from Tourism

Source: Photograph taken by Author

Raja Sarwar Khan is 42 years old person living in Rawalakot. He is running a “Three Stars Rent a Car” agency. Raja is the head of a household comprising eight members including five sons, two daughters and his wife. His all children are studying at different grades. In 1998, he opened a “Three Stars Rent a Car” agency. He started the agency with his only one car. But with the passage of time, he hired cars on commissions. At the moment, there are ten cars deployed in his agency including his three own cars. He discussed his views about his business:

“Prior to my ‘Rent a Car’ agency, I used to drive my own Suzuki passenger van in Rawalakot Village. Then I sold it and purchased a car. When the number of tourists started to increase in our village, I opened a ‘Three Stars Rent a Car’ office with my only one car. After some time, I started to hire cars from other peoples on commission. My business is growing day by day. I have also hired two persons assisting me in my business.”
5.2.1.2 Tourism and Women Employment

Tourism industry around the globe generally generates job opportunities for a larger quantity of females rather than many other businesses in the organized segment of the economy (Baum, 1993). But my field work reveals that a small number of women are engaged in tourism related jobs in Azad Kashmir.

Many women in Azad Kashmir are mainly involved in producing handicrafts. For instance, Kashmiri shawls are the most admired hand-made handicraft of Kashmir. Kashmiri Shawl making is a household craft in which female members especially girls and women help the embroiderers in stitching, washing and dying. Mrs. Amina, a local woman comments:

“I am a 45 years old widow. Fifteen years ago, my husband died in a road accident. He was working in a Shawl selling shop as a sales man. After the death of my husband, I supported my family by providing the stitching services to the shop in which my husband used to work. Initially, there was a little work to do but after some time the demand of Kashmiri Shawls increased due to increase in a number of tourists visited our area and now along with stitching, me and my three girls also providing dying and washing services. I am earning about 14,000 PKR in a month. My elder son is also working as a sales man in a shop”.

Fig 5.6: Three Stars Rent a Car Agency

Source: Photograph taken by Author
5.2.2 Investment and Infrastructural Development
In Rawalakot and Banjonsa villages, there has been a significant investment in the development of infrastructures like roads, hotels/ resorts, picnic spots, rest houses and residential buildings during the past 15 years. The government has constructed three hotels and one resort in Rawalakot village and one hotel and a resort in Banjonsa village.

Apart from that, all hotels and rest houses and other tourism infrastructures are established and operated by the private sector. About 20 hotels and guest houses have been established by the private sector in the last 15 years. One entrepreneur Mr. Shaukat Abbasi says:

“I live in ‘Rawalpindi’ a city of Pakistan. Ten years ago, I invested 15 millions PKR to build a guest house in Rawalakot. My guest house is very profitable. In the peak tourist season (April to September), there is always an influx of tourists from other parts of a country. I am planning to open a restaurant in Banjonsa village.”

The government has invested in a road construction which connects Rawalakot to the other parts of a country. According to a local contractor, it was back in 1973 when Shara-e-Ghazni-e-Millet road constructed which connected Rawalakot with Muzzafarabad-the capital city of Azad Kashmir and other parts of Pakistan. After the construction of Shara-e-Ghazni-e-Millet road, the
tourists started to explore the beauty of Rawalakot. The government is still investing in a road expansion to facilitate the tourists coming to see our area.

**Fig 5.8: Road Construction underway in Rawalakot**

The private sector has also invested in a construction of shopping plazas, apartments and homes. There are four real estate agencies operating in Rawalakot and Banjonsa villages. Raja Faisal Zaman, a real estate agency owner based in Rawalakot village says:

“Basically I belong to Muzaffarabad- the capital city of Azad Kashmir. I opened a real estate agency five years ago. The demand of residential apartments and homes are increasing day by day. People from other parts of the country usually purchase these homes and apartments and use them as their second home in summer season or rented it out to the tourists.”
5. 2.3 Negative Economic Impacts
The expansion of tourism in Rawalakot and Banjonsa villages has undoubtedly been playing an important role in economic development but it has also brought some negative economic impacts. According to respondents, the following are the main negative economic impacts created by tourism in the study areas.

5.2.3.1 Increased Land Prices and Rent
One of the noticeable negative impacts of tourism growth reported in the study area is increased land price, high rent and shortage of housing for the local people. This issue was also reflected in several research studies (Cooper and Ruhanen, 2005; Diagne and Archer, 2004; Akama and Kieti, 2007). The expansion of tourism needs land and in consequences land price increases. Masud Zaman a 55 years resident of Rawalakot says:

“Twenty five years back, agriculture was the main source of livelihood of the people in our village. But with the increase in tourism related activities in 1990s, the investors mainly from other parts of the country started to purchase the lands from local people paying higher prices for building hotels, houses, flats shopping plazas. I have also sold out my land (5 acres) on which I used to cultivate the maize and wheat. But now the situation is very different. The land is scarce and the prices are very high and it is very difficult for the poor people to purchase a piece of land for their living.”
This finding confirms those of Archer, Cooper and Ruhanen (2005) that during the tourism growth process, a farmer and other land owners are encouraged to sell their land and in this process they are converted to landless peasants. Various real estate agencies are constructing flats and houses in Rawalakot and rich people usually from other parts of the country are buying these flats and houses. The prices of these flats and houses usually are very high. Mr. Khurshed, a local resident of Rawalakot, commented as:

“The tourism development in our area also created problems for local peoples especially the poor ones. It becomes very difficult to purchase a piece of land and build a house and also the rents are unaffordable. I am worried about our coming generation that how will they face this situation in future.”

5.2.3.2 High Prices of Essential Commodities and Services
One of the main negative economic impacts reported by the respondents is the higher prices of the common commodities. The local people seemed very concerned about the high prices of essential food items, transportation and rent. Akama and Kieti (2007), and Sebastian and Rajagopalan (2009) also states that due to tourism growth, the price of necessary food items and others increases. The respondents perceive that the reasons behind these high prices are the tourists and the immigrants coming from other cities for work. Mr. Roshan, a school teacher and a resident of Banjonsa Village elaborated as:

“Everything is very expensive here in our village. The people with limited income are facing very difficulty to meet their livelihoods.”

It has been observed that the transportation fares are also very high. The respondents claimed that the main targets of the transporters are the tourists who are willing to even pay a high price for their comfort. According to respondents, the house rents has also increased tremendously because many people come to Rawalakot and Banjonsa villages for work and sometime the supplies of accommodation fall short compared to demand.

I think that tourism development is not the only factor behind the high prices of essential commodities and services. The unprecedented increase in fuel prices and the unstable political and security situation in Azad Kashmir and Pakistan in the years also led to a higher inflation in all parts of the country including the study area.
5.2.3.3 Seasonal Verities
The respondents also termed the seasonal variation in tourists arrival is a negative effect on their livelihoods. The seasonality effect is well documented in tourism research (Baum, 1999; Butler, 1994; Wilton, 2003; Wall and Mathieson, 2006). According to respondents, the employees working at a lower level position in restaurants, hotels, mall shops, self employed small entrepreneurs are generally deeply affected due to the seasonality effect. According to Rafeeq Ahmad, a 35 year old resident of Rawalakot, told as:

“I am working as waiter in a hotel in Rawalakot. During the peak season, which usually starts from April and ends in September, a large number of tourists come to enjoy the pleasant weather and beauty of Rawalakot and Banjonsa villages. The number of tourists starts to decrease after the month of September each year. In winter season, the tourists also come to enjoy a snow falling but in limited numbers. Due to decrease in tourist arrivals in winter, our hotel owner usually closes his hotel for at least three or four months.”

5.3 Socio-Cultural Impacts
This section discusses the social and cultural impacts of the development of tourism on the local communities of Rawalakot and Banjonsa. In the view of Affeld (1975) classified a tourism social and cultural impacts researches into three types: (a) tourist and host relations centered- this type of research scrutinize the impacts of host and tourist interactions on cultural and social structure; (b) host centered- this sort of research is focus on the local society and their participation with tourism activities; (c) tourist centered- this type of research describes about tourist’s expectations, demand and attitude etc. The researcher uses the first two types to achieve the research objectives.

The following are the main social impacts identified by the respondents:

5.3.1. Impacts of Tourism on a Social/Family Structure
It has been reported by the respondents that tourism development affects the family structure of the area. According to them, tourism weakens the traditional family structures. Tourism has developed more individualistic behavior among the people of this community which resulted in
developing a nuclear family structure. The following statement was made by Mohammad Sharif, a local resident of Rawalakot:

“Traditionally our society is based on a joint family system. All the family members are socially and economically dependent on each other. There was a mutual respect and love among each other. Before tourism development, there were a little work opportunities in our area. Some of the family members have to migrate to other areas for work while the others have to look after their families. But now the situation has changed. Due to tourism, the people became economically and socially independent. The people, especially the young prefer to live in a nuclear family rather than a joint family system. At one end it is good that tourism has created the job opportunities for locals but at the other end it weakened the social fabric of our society”.

On the other hand some respondents claimed that tourism development helped improve the cohesion within the families. Before tourism development, due to a lack of work opportunities, the people used to migrate to other cities for work. This migration creates many social problems and sometimes dilutes the family relationship. But after tourism development, the local people prefer to stay in the village and involve themselves in a tourism related activities. Arshad Khan, a 46 years old shopkeeper living in a village Banjonsa narrated his story as:

“Before tourism development, I migrated to Karachi city of Pakistan for work after my marriage in 1988 and spent 7 years working as a labor in a garment factory. I have to visit my family once a year. Sometime my wife used to quarrel with me to shift her and children to Karachi but I could not afford it. I have lost the precious time without my family. But now I am working in my village. I am feeling very good to be with my family”.

5.3.2 Impact of Tourism on a Relationship among the Community members
The tourism development may produce both the opportunities and problems on the vast scale of societies. During the research, some respondents reported that, tourism development does have consequences on social relations among the people of their community as well. For example, some respondents claimed that tourism development enhanced the individualistic behavior
among the people of their community and slowly and gradually the commercial relations is dominating over other social relations. However, at the other hand, some respondents perceived that tourism development in their area has reduced the communal conflicts and promoting the communal harmony in their community. The main reason behind this, they mentioned, is the availability of job opportunities especially for the young people. Arif Jadoon, a 55 years old resident of Rawalakot said:

“Before tourism development, the work opportunities for the people were rare in our area and due to this, frustration usually developed among the young people which usually reflected into the communal conflicts. Now the people are busy in their jobs and they have a very little time to quarrel with each other”.

5.3.3 Impact of tourism on a dressing style

It has been reported by the respondents that tourism development has brought changes in a life style of the local people. According to some respondents, the tourism has influenced the dressing style of the local people. The local people try to adopt a dress of the tourists coming from other cities. The young generation especially the men prefer to use western dresses like pants/jeans and shirts over the traditional cloths like Kashmiri Kurtha and Shilwar. The young female has also started to adopt the fashion of tourists coming from modern cities like Islamabad, Rawalpindi, Muzzaffarabad. This demonstration effect has a great influence on young people and may create generation gaps and class differences, between those who desire changes and those who wish to retain traditional ways of life.
5.3.4 The impact of tourism on traditional handicrafts and Artifacts

The demand for traditional handicrafts in Rawalakot and Banjonsa has increased from the previous fifteen years. The local businessmen believe that the growth of tourism is the reason for increase in demand. This increasing demand has significant impacts on the local economy. Zulfiqar Lodi, a local businessman dealing in traditional handicrafts, commented as:

“Our area is famous for traditional handicrafts like Kashmiri Shawls and carpets. Before tourism, the demands for these Shawls were very low. The local people usually produced these items for their own use. But with the growth of tourism, the demand for Kashmiri Shawls and carpets increased significantly. Tourism promoted our traditional products all over the world. Business of the handicrafts has established which resulted into a job creation for a local people in general and for women in particular. The local women usually involved in stitching and weaving. Tourism helped us to export our traditional products to other parts of the world including Middle East, United Kingdom and United States of America etc.”
5.4 Concluding discussion
In this chapter the data-collector presented and discussed the empirical evidences collected from the field and give answers to the main research question.

- What are the main economic and social impacts on the local people of the villages Rawalakot and Banjonsa, in the province of Azad Kashmir, caused by the increased tourism?

At the start, the positive economic impacts of tourism, stated by representatives in the case households are primarily related to a labor market.

The main negative economic impacts identified in this case study shows that among the local respondents give emphasis on the increased land prices and rents, high prices of essential commodities and seasonal varieties. The study also shows some patterns according to socio-cultural impacts. The main socio-cultural impacts of tourism reported by the respondents are in the form of changes in a family structure, variation in relationships among the community members, changes in dressing styles and promotion of locally made traditional handicrafts.

The case shows that tourism has positive as well as negative socio-economic impacts in the local context. The study indicates that tourism can create jobs and investment opportunities as well as contributing into infrastructure development. The findings also indicate that discontinuity of work opportunities during off-season affects daily wagers and low paid workers in negative directions. The study has revealed that tourism also has a visible impact on a social-cultural condition of the people of study areas. According to some respondents, the tourism, up to some extent, altered the family structure in their communities. The tourism generated employment opportunities for the local people that reduced the economic dependency especially of young generation over their families and now they prefer to live in a nuclear family rather than in joint family which resulted in weakening of the family structures and social bonds, compared to what used to exist before tourism development in their area. While at the other hand, some respondents thought that tourism produced the cohesion within their family’s members because tourism produced employment for them and instead of migrating to other areas for work they became able to stay with their families at home and look after their children properly. The tourism has positive impacts on the promotion of local made traditional handicrafts.
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Appendix

A. Question Schedule for Local Community

1. What is your name?

2. What is your household composition e.g. how many members are there in your family i.e. males, females, income hands or employed household members?

3. What is your occupation?

4. How long have you been working in the tourism industry?

5. What economic impacts does tourism bring into your life?

6. How advantageous are the impacts of tourism on your family?

7. Are you economically benefited from tourism activities?

8. What economic opportunities did tourism create for local community?

9. What is your opinion about tourism impacts on the livelihood of people involved in tourism?

10. What do you think are the main advantages of tourism to the local peoples in your village?

11. What benefits are you getting from tourism development?

12. What effects tourism has on your social and personal life?

13. Do these effects have changed your lifestyle?

14. Does tourism improve the standard of living?

15. What do you consider to be the main impacts of tourists on the traditional values of your community?

16. What are the tourism impacts on cultural activities such as arts, music and historical places?

17. What is your opinion about the tourism impacts in the development of your village?
18. What are the major advantages of tourism in your village for the local community?

19. What are the disadvantages of tourism for the local community?
B. Question Schedule for Government Officials

1. What are the main features of tourism policy in Azad Kashmir?

2. What kind of tourism related facilities provided by Azad Kashmir tourism and Archaeology department in the study villages?

3. To what extent the local community views were considered while formulating the tourism policy?

4. Do you think socio-economic impacts of tourism at a local level were taken into account before any decision was made regarding tourism development?

5. What benefits local people have been enjoying from tourism development?

6. Do you have any other policy to maximize the local community’s benefits?

7. What are the barriers for the local community participation in tourism?

8. How can the local community involvement in tourism be increased?

9. What supports the local entrepreneurs are getting to improve their businesses?

10. What is your opinion about tourism impacts in the development of your village?