

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

F. Samavati and M. Rahmani\*

Department of Geography, College of Humanities Science, Hamedan Branch, Islamic Azad University, Hamedan, Iran

Published online: 16 July 2016

### ABSTRACT

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

Author Correspondence, e-mail: [mohammad.rahmani1@gmail.com](mailto:mohammad.rahmani1@gmail.com)

doi: <http://dx.doi.org/10.4314/jfas.v8i2s.34>



---

**Keywords:** Tourism, GDP, Hamedan Province, Entrance of Tourists, Economical Growth

## 1. INTRODUCTION

By taking a look at the advancement obtained from the new age and also reviews of the economical reports published in the world's credible institutions are all indicative of the fact that the newly-emerged tourism industry has been able to find its place as one of the profitable and growing industries. Multidimensional and multi-sectional feature of tourism industry will have wonderful positive and negative impacts on various economical, social and cultural sections of the host society. The evidences show that the main purpose of development of tourism in most countries of the world is to create economical interests and freedom from the

single-product economy and reaching growth and development. Although the impacts of tourism on various economical, social and cultural domains are seen, but this issue, more than anything, shall be considered that economical impacts are way more important and wonderful and can pave the way for development. Our province, due to have the important potential for attracting tourist such as natural landscapes, monuments, culture and climate, can create a dynamic and varying economical by developing cohesive programs and with investments in the respect of reinforcing the tourism section.

### **Importance and necessity of the research**

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

---

This article seeks to respond to the following questions:

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

### **Research purposes**

- 1- Reviewing the role of tourism in Hamedan's economical growth and development
- 2- Reviewing the role of tourism in Hamedan's earnings obtained from tourism

### **Research literature**

#### ✓ **(Phiri, 2015)**

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

#### ✓ **(Brida et al., 2010)**

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

#### ✓ **(Somayeh Hassanvand, et al., 2014)**

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

### **Theoretical principles**

- 
- **Definition of economy:** economy can be defined as the science of selection which shows the method of selection which means the choice that creates the maximum advantage with the minimum expense. Based on this concept, economy can be defined as the science of optimal assignment of rare resources. Most economists have an agreement about this concise definition; because it includes two basic concepts of the science of economy which are selection (assignment) and rareness. It means that the definition above expresses the nature of economy as a science of selection (Kordbacheh, 2011, 13).
  - **Microeconomic:** it has been derived from the Greek word Micros meaning small and it is a section of the science of economy which studies decisions and behaviors of persons and individual economical units such as families and firms. Determination of prices and subsequent to it, determination of the rates of supply and demand in the frame of the study of individuals and interactions of consumers and suppliers is one of the most important issues which are reviewed in microeconomics. Also, given that the tools of assigning resources to production of goods and services is the exchange value or the price of goods and services, microeconomics is also called "price determination theory".  
Microeconomics also studies the effects of governmental regulation and taxes on the prices and rates in the market of goods or a service (same source, 17).
  - **Macroeconomics:** it has been derived from the Greek word "Macros" meaning big and is indicative of a section of the science of economy which studies the efficiency of economy in the frame of national economy or international economy (same source, 17).
  - **Gross Domestic Production (GDP):** as one of the most important indexes of total supply, is one of the most comprehensive and applicable concepts in national accounts which has a central role for most macroeconomic notions and indexes. GDP is the monetary value of the whole goods and services produced and exchanged in the internal realm or land of a country through firms, nonprofit institutions, governmental section and families. This index is calculated for a certain interval which usually seasonal or annual (same source, 36).

---

## **Tourism**

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

## **2. RESEARCH METHOD:**

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

and deduce it, the analytical – descriptive method was used and in order to review the hypotheses, the Pearson correlation tests and the SPSS software were used.

### Specifications of the studied region

Hamedan province includes 1.2% of the total area of the country with an area of 19491m<sup>2</sup>. This province is between the 33° circuits to 59 minutes and 35° to 49 minutes of north latitude and 47° and 34 minutes to 49° to 36 minutes of the East longitude of Greenwich Meridian. Hamedan province is one of the west provinces of Iran which is limited to Zanzan and Qazvin provinces from the north, Lorestan province from the south, Markazi province from east and Kermanshah and Kordestan provinces from the west. The highest place of Hamedan province is the Alvand Mountain with the height of 3574 meters between the cities Toyserkan and Hamedan and the lowest place of this province is the lands of Omar Abad besides Ghareh Chay River in the Shara section. Hamedan province, according to the latest divisions and census of the year 2011 and the editions after it, includes 9 cities, 27 towns, 25 districts, 73 subdistricts and 1212 villages and the center of this province is the city Hamedan. The cities of this province are: Hamedan, Nahavand, Toyserkan, Malayer, Kabudrahang, Asad Abad, Bahar, Razan and Famennin (Rahmani, 2014, 34).

### Analysis

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

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

2008	2552000	39.4	366	3455	2458	50125	758	2832	2781	1723
2009	2525000	43.3	445	3752	3233	48449	905	3936	3649	1734
2010	2840000	44.9	522	3919	4097	58355	1131	4472	4331	1745
2011	2050652	43.8	699	4734	4971	72978	1238	5376	5462	1769
2012	2020886	41.4	905	5487	5627	90943	11345	6277	6593	1780
2013	2247156	39.8	934	5502	5632	111344	1353	6293	6613	1791
2014	2507447	40.1	937	5503	5633	111345	1354	6294	6614	1802
Total	35419083	574.3	52226	755209	10737	46406.3	44986.9		25922	

**Using SPSS software in order to analyze the data**

first output

**Descriptive Statistics**

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

second output

**Correlations**

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

GDPH	Pearson	-.098	1	.954**
	Correlation			
	Sig. (2-tailed)	.729		.000
	N	15	15	15
GDPR	Pearson	.081	.954**	1
	Correlation			
	Sig. (2-tailed)	.773	.000	
	N	15	15	15

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

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

H1: There is a significant correlation between the two variables.  $r \neq 0$

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

### 3. CONCLUSION AND RECOMMENDATIONS

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

- 1) Increasing the internal and external investment of the private section in the respect of developing the tourism infrastructure (5-star hotel, rail lines and airlines)
- 2) Holding meetings, conferences, assemblies, gatherings, seminars, etc. at an international level such as winter festivals, crafts festivals, film festivals and holding annual sport competitions such as horseback riding and mountaineering and so on
- 3) Setting up comprehensive programs of advertisement and marketing and branding
- 4) Creating artificial tourism attractions and establishing health tourism villages
- 5) Reinforcing the culture of good behavior with tourists in the citizens of the province
- 6) Using experts in the field of tourism activities

---

**REFERENCES**

- [1] A'rabi, Seyed Mohammad, and Izadi, Davood (1999). Management of tourism: principles, strategies and impacts. Tehran: office of cultural researches.
- [2] Ghalandar, Mojtaba (2008). Expression of the relationship between development of E-tourism and economical growth of the coastal towns of north of Iran; district 9. Operations of transferring gas of Iran.
- [3] Rahmani, Mohammad (2014). Models and methods of regional urban planning. Publications of Islamic Azad University of Hamedan, P34.
- [4] Kordbacheh, Hamid (2011). Principles of macroeconomics. Noor-e Elm Publications, pages 13, 17, 36.
- [5] Hassanvand, Somayeh, et al. (2014).
- [6] Brida, et al. (2010)
- [7] Andrew Phili (2015). Tourism and economic growth in South Africa: evidence from linear and nonlinear cointegration frameworks.

**How to cite this article:**

Samavati F, Rahmani M. The role of tourism industry in the gdp growth of hamedan province. J. Fundam. Appl. Sci., 2016, 8(2S), 1305-1313.