Testing Employment Growth in the Tourism Industry via Regional Connectivity in Pakistan under CPEC

Shujaa Waqar * Sonia Shabbir ** & Baber Amin ***

Abstract: The bilateral relationship between Pakistan and China became zealous after the agreement of the China-Pakistan Economic Corridor. Among countless benefits, CPEC will flourish avenues for trade and tourism. It is estimated that CPEC will provide 5 million jobs in the tourism industry. Therefore, timely preparation from vocational training centres will reduce the prevailing skill gap. The study aimed to identify potential tourist spots, explore the effect of CPEC road projects on tourism and identify job trades and future required skill sets in the tourism industry. This study utilizes primary data to identify trades and future skill sets in the tourism industry of Pakistan. Furthermore, secondary data has been used to investigate the impact of road infrastructure investment on tourism development with the help of the Autoregressive Distributive Lag Model (ARDL) model. The study concludes that CPEC road projects will develop tourism by boosting robust connectivity. This is subject to a peaceful atmosphere in the territory and good governance. The study also finds various job trades and required skill sets and suggests means to fulfil the skill gap and future employment generation.

Keywords: Road Infrastructure, Travel and Tourism, Employment Generation, Hospitality, Tourist Spots.

1   Introduction

The bilateral relationship between Pakistan and China became zealous after the agreement for building an 'Economic Corridor', a framework of regional connectivity in the year 2013. The venture's initial blueprints

*Lecturer, Department of Economics
Forman Christian College (A Chartered University), Lahore, Pakistan
Corresponding Author Email: shujawaqar@fccollege.edu.pk

**PhD Scholar, Department of Economics
University of Oklahoma, United States of America

***Lecturer, International Institute of Islamic Economics
International Islamic University, Islamabad, Pakistan

included establishing links with Pakistan via building a road network, and
railways and structuring a robust infrastructure for energy projects and
industrialization, with the aim of sustainable economic growth in
Pakistan. Among countless benefits, the construction of CPEC eastern and
western route from Kashgar (China) towards Gwadar (Pakistan) is a
project which may unbolt the avenue of country's economic development
via trade and tourism. This mega advertised 11 billion US Dollar CPEC
infrastructure project consist of building 1100 km long highway consist of
eastern route (i.e. a long motorway construction project between Karachi
and Lahore while the Karakoram highway from Rawalpindi to China
border will be entirely reconstructed and overhauled) and western route
(i.e. considered as more economical in terms of short distance, low
opportunity cost and dislocation compensation cost, passes from Gwadar,
Turbat, Basima, Quetta, Qila Saifullah, Zhob, Dera Ismail Khan,
Mianwali, Attock, Hassanabdal and onwards till Karakoram Highway
(Arshad, Iqbal *et al.,* 2018), expected to be done by 2020.

It is projected that the successful completion of all the CPEC
projects including infrastructure, energy and Gwadar, would result in
giving value of these projects equivalent to 17% of Pakistan's GDP
(2015) creating 700,000 direct employment opportunities till 2030 and
enhance country's growth rate by adding 2.5 percentage point. Statistics
from Pakistan Economic Survey 2014-15 reveals the successful outcomes
from initial CPEC infrastructure project, as the volume of trade between
China and Pakistan has reached up to 16 billion US$, whereas China
export to Pakistan has risen up by 10% from the year 2009 to 2015.
Besides, Chinese tourists have made 140 million visits in Pakistan since
2013 that has improved the statistics of international tourist arrivals in the
country. At the operational phase, CPEC routes will become a bridge with
the prediction of linking 3 billion people in Asia, Africa and Europe.
Furthermore, the road routes and Gwadar port envisages to endorse the
economic development of country and become a gateway for Central
Asian countries including Afghanistan, Uzbekistan, Iran and Xinjiang for
marine transport.

Improvement in World Travel and Tourism Competitiveness Index
(WTTCI) from 125/141 in 2015 to 124/136 in 2020 is evident from World
Economic Forum (WEF) report because of the advancement in Travel and
Tourism (T&T) pillars like infrastructure, business travel, natural and

cultural resources and price competitiveness. The total receipts per arrival of tourist in Pakistan has been amounted to 317 million US$ in 2020. Moreover, the tourism sector in Pakistan will be a significant economic agent because of its contribution to GDP and employment generation in country and is predicted to raise its contribution in future as well. A brief picture, extracted from WTTC 2017 report for Pakistan, is mentioned in Annex-A Table 1, where successful operation of tourism industry is expected to contribute more than 5 million jobs (including direct and indirect) via industries of accommodation services, food and beverage, retail trade, culture & sports and transportation in the economy along with contributing 39,851.6 million US$ to GDP by the year 2028.

Parallel to the aforementioned key improvements and recent initiatives for tourism industry, yet Pakistan's overall ranking in Travel and Tourism (T&T) Competitiveness 2020 (124th/136) is not appreciable globally, as compared to the neighboring and South Asian countries like China 15th, India 40th, Iran 93rd, Tajikistan 107th, Nepal 103rd and Bhutan 78th. A country blessed with rich tourism resources in form of enchanting sights for tourist around the world, possess a land which displays ancient Indus Valley, Buddha Civilization, historic forts, deserts, Arabian Sea, stunning Himalayan Peaks, dazzling valleys, famous rivers and kaleidoscope range of culture (Arshad, Iqbal *et al.*, 2018). Besides, Pakistan confronts some serious challenges like terrorism, security and safety issues for international tourists, negative image of country on globe, government negligence towards tourism sector, absence of an organized tourism management structure and inter-departmental coordination, lack of private sector investments, weak enforcement of standards and certificates, inadequate marketing and promotion, and tourism workforce development (Fakhar, 2010).

Projects under CPEC may work as a source of revival of tourism industry in Pakistan. This study is an effort to outline the significance of CPEC road projects in connection with developing country's tourism industry, by

1- Identifying potential tourist spots along CPEC eastern and western route.

2- Exploring the effect of CPEC road projects (road infrastructure investment) on tourism sector development (tourism revenue).

3- Illustrate the major job trades within the relevant industries for future generated employment (5 million jobs) through tourism industry.

4- Bring up with some cogent recommendations for unravelling the issues of tourism sector in Pakistan.

The key studies highlighting this dilemma have been discussed in the next section, while the discussion about employed variables and the data description will be reported in section 3. Section 4 of the study will present the empirical strategy, practiced in the current study whereas section 5 includes analysis of the results. Lastly the conclusion and policy directions will be discussed in section

2   Literature review

CPEC road infrastructural projects can benefit the economy of Pakistan via upgrading and promoting tourism industry in the country. Evidence from different regions of the world i.e., Latin America, Spain, Greece and Italy approves that in today's world, tourism industry have a significant role in progressing economic development of a country ((Balaguer and Cantavella-Jorda 2002, Eugenio-Martin *et al.*, 2004, Kim and Chen 2006, Risso, Barquet *et al.*, 2010). Tourism industry has shown up trends in case of India, resulting employment generation and country overall economic and social-cultural development (Mishra *et al.*, 2011). In the case of Pakistan, a study approves that economic expansion plays a necessary role in the development of tourism sector (Khalil, Kakar et al. 2007). Another evidence from Pakistan authorizes the long run relationship moving from tourism sector income significantly improves the economic growth in country (Adnan Hye and Ali Khan 2013).

Tourism and economic activities are interlinked in sense that tourism does have the potential to strengthen the national economy as it increases development initiatives (Zhang 2015). Over the past 5 decades, tourism industry emerged as a major growth industry in the world, as it bring improvements in different associated sectors i.e. income and wealth of a region, transport sector, enhancing lifestyle and living standards, international openness, education information, and improve tourism infrastructure (Matias *et al.*, 2007). In respect to employed tourism industry's strength optimally, need of investment is prerequisite

specifically in tourism infrastructure. As development of a region's infrastructure have significant contribution to boost the efficiency of tourism sector. (Jovanović and Ivana 2016). From theoretical literature, it is evident that there is a noticeable relationship between tourism infrastructure investment and tourism development (Adebayo and Iweka 2014).

A transportation system in a host country allow tourist for easy access to tourist destinations, along with a source of inaugural for the new places of interest which are not easily accessible earlier (Van Truong and Shimizu 2017). There is a close association between tourism and transportation accessibility features, that effects the travelling cost spent on tourism of a region (including money and time spend on tours) along with tourism demand (number of tourists) and supply (tourism infrastructure) levels in the country (Sari 2017). Thus, transport infrastructure plays the role of connecting the other two infrastructure, and exhibit potential to promote overall tourism infrastructure. (Prideaux 2000) stated in his study that visitors must have untroubled access to the destination country along with easy reach to sightseers' places.

2.1   Situational Analysis of Pakistan

Observing the latest pattern of tourism and traveling sector in Pakistan, the WTTC reveals that the direct contribution of T&T to Pakistan's GDP in 2019 was constituting 5.9% of the total GDP. In the year 2019, 2.5 million tourists both domestic and international travelled to northern areas alone in Pakistan, while over 600,000 people visited Gilgit-Baltistan in same year. In 2016, the total foreign tourists visited Pakistan were 965,498 while the statistics reveals that in 2014, estimated number of 50 million domestic tourist travel in the country. According to the United Nations World Tourism Organization UNWTO 2018 report, the country acquired 352 million US$ in the form of international tourism receipt.

Pakistan ranked at 124th position out of 136 nations, according to the report issued by WTTC, 2017. This low ranking is because of poor performance of country in some major measurement sectors like human resource labor market (134th /136), safety and security (133rd/136), environmental sustainability (133rd/136), and government prioritization of T&T (122nd/136). Besides other reasons, the vulnerable situation of tourism industry is because of war on terror situation of country since

2006 including military operations and terrorist attacks throughout the country is one of the major reason (Adnan Hye and Ali Khan 2013), as terrorism does have negative and significant long-run and short-run impact on tourism in Pakistan (Raza and Jawaid 2013). The clear picture of increasing violent terrorist attacks (National Counter Terrorism Authority) happened in Pakistan and downward trend of country in T&T competitiveness index.

2.2   CPEC Eastern & Western Route

The CPEC eastern route will pass through Makran coastal highway, Karachi, Hyderabad, Sukkur, Multan, Lahore, Islamabad, Mansehra, Thakot, Raikot to Khunjarab. The CPEC western route, on the other hand, will pass via Gwadar, Turbat, Panjgur, Bismah, Quetta, Zhob, Dera Ismail Khan, Peshawar, and Islamabad onward. Table 2 in Annex-A fulfills the first objective of our study by discussing the emerging tourist spots, cities and existing details about the attractive points along CPEC infrastructure road projects on both eastern and western route.

3   Methodology and data

Investigating the contribution of investment of transport mode specifically roads in generating tourism revenue is evident from literature. In order to quantify the promotion of tourism sector of Pakistan via CPEC investment in road transport (objective 2 of the study), we collected the relevant secondary level data from different sources. As the CPEC road projects are under construction mode and to this point we are not able to get authentic mastery in this regard, therefore we moved with the proxy variables. The data for the infrastructure investment at current trends and need for road sector, has been collected from Global Infrastructure Outlook for the year 2007 till 2019, used as a proxy for CPEC roads project investment. This data is available annually in US dollars unit. The variable exploited as a proxy for tourism is annual tourism revenue in US Dollar whereas this data is availed from CEIC macro and micro economic data source.

In order to measure the performance of political institutions and governance framework of Pakistan, we collected the country level data from World Governance Indicators (WGI), that gives the information about percentile ranking measurements for six different dimensions of

governance attributes namely Control of Corruption (CC), Government Effectiveness (GE) Political Stability and Absence of Violence/Terrorism (PS), Voice and Accountability (VA), Regulatory Quality (RQ) and Rule of Law (RL) (Kaufmann *et al.,* 2011). The information for WGI has been used as a control variable as literature gives evidence that it has impact on region tourism sector (Dinica, 2009), therefore we involved it in our model of estimation. These indicators consists of numerous specific and disaggregated individual variables evaluating different attributes of governance (Kaufmann *et al.,* 2009). Additionally, the consistency and robustness of these indicators have been widely investigated by policy makers and researchers, hence, utilized these to examine the performance of the government and governance quality of a country (Apaza 2009, Charron 2010, Langbein and Knack 2010, Thomas 2010).

Another relevant control variable we operated in our estimation is Global peace index (GPI) score for Pakistan, acquired online from country economy. It measures the condition of nation's peacefulness from 23 different indicators related to country's internal/domestic and international conflicts, and living condition situation (Index and Peace 2013). GPI is another important determinant of promoting tourism for a region (Pratt and Liu, 2016), that is the reason we exploited this variable in our estimations.

All the variables used for estimation purpose were based on the information for past 23 years i.e. from 1995 to 2019. The exploited variables were available firsthand in unique units. For making their units equal, we standardize the variables and then used them further for estimations. This exercise has done to avoid the problem of multicollinearity and the risk of constructing misleading results or missing some statistically significant expressions.

4   Empirical Model

In order of merit for the study's second objective, we formulated an empirical model to probe the short-run and long-run association between investment in road transport and tourism revenue in Pakistan. This model is estimated through a widely known and voguish Autoregressive Distributive Lag (ARDL) technique, devised by Pesaran and Shin (1999) and Pesaran *et al.*, (2001). The empirical model specification used in our study is given as follow:

$$TR_t = \alpha_0 + \alpha_1 IITR_t + \alpha_2 GPI_t + \alpha_2 WGI_t + \mu_t \qquad (1)$$

Where 'TR' represents country's tourism revenue annually in US dollar million, which has been used in literature as a proxy for measuring region's tourism (Holzner 2011, Steven *et al.,* 2013). The variable of interest in our study is 'IITR' which is investment at current trends for transport by road only which has been exploited as a proxy for road building projects under CPEC. Furthermore, GPI is Global Peace Index and WGI as World Governance Indicators information has been incorporated as a control variable because of the reason that these two are the attributes that can effect tourism in a specific region, proved from past literature (Dinica 2009, Pratt and Liu 2016). The specification under the context of ARDL framework takes the following form:

$$\Delta TR_t = \beta_0 + + \sum_{i=1}^{p} \alpha_i \Delta IITR + \sum_{i=1}^{p} \delta_i \Delta GPI_{t-i} + \sum_{i=1}^{p} \theta_i \Delta WGI_{t-i} + \sigma ECM_{t-1} + \gamma_1 TR_{t-1} + \gamma_2 IITR_{t-1} + \gamma_3 GPI_{t-1} + \gamma_4 WGI_{t-1} + \mu_t \qquad (2)$$

Where β_0 and μ_t is a drift and white noise respectively, while the segment of equation with γ_i is associated with the long-run relationship. In this case, the F-test is executed to check whether the long run relationship exists or not. Here, the null hypothesis of the equation is H$_0$: $\gamma_1 = \gamma_2 = \gamma_3 = \gamma_4 = 0$ where as H$_1$: $\gamma_1 \neq \gamma_2 \neq \gamma_3 \neq \gamma_4 \neq 0$.

For ARDL bound test, the calculated value of F-statistics is matched with the upper and lower bounds critical values as mentioned by (Pesaran *et al.*, 2001) where as if the calculated value of F-statistics is greater than the upper bound critical value we will reject the null hypothesis of no co-integration. Besides, the Error Correction Model (ECM) test which shows the pace of adjustment to long run equilibrium after a short run break is estimated with the following equation.

$$\Delta TR_t = \beta_0 + \sum_{i=1}^{p} \alpha_i \Delta IITR_{t-i} + \sum_{i=1}^{p} \delta_i \Delta GPI_{t-i} + \sum_{i=1}^{p} \theta_i \Delta WGI_{t-i} + \sigma ECM_{t-1} + \mu_t \qquad (3)$$

5   Results

We start our empirical analysis by explaining the order of integration for considered variables of our model. Standard Augmented Dickey Fuller (ADF) test is used in order to assess the presence of unit root in the variables. Table 5 in Annex-C, illustrates the results that the order of

integration for all the exploited variables is either I (1) and none is I (2), so we can move with ARDL modeling for our data.

To find out the long-run relationship we will proceed with the foremost step of selecting lag-length for our model equation 2, as the outcomes of long-run relationship are responsive to lag-length selected (Bahmani-Oskooee *et al.*, 1991). Since the data that we exploited in our study is annual data that is why the length for lag is restricted for shorter period (Siddiqui *et al.,* 2008) or till 4 lags. From the unrestricted VAR approach the results suggested that all the lag selection criteria (including Schwarz, Akaike, Hannan-Quinn and Final prediction error) shows lag 1 as an optimal lag for our model. Afterwards we proceeded towards the co-integration test by estimating the Eq. (2) with lag 1. The value of F-statistics for all the covariates is shown in Table 6 in Annex-C, along with the 5 % critical upper and lower bound values. It is evident that the calculated F-statistics for our model is greater than the bound value which shows that there exists a long run relationship among the variables used in Eq. (1) when the "*TR*" is dependent variable, and all other covariates lies on the independent side of equation.

In the next phase, ARDL model has been utilized to compute the long-run and short-run estimates of Eq. (2). Table 7 in Annex-C exhibits Breusch-God Frey serial correlation LM test to check serial correlation, whereas the value F-statistics approved that our model does not have serial correlation issue. Besides, the findings of table includes the value of ECM estimated via Eq. (3) mentioned as ECM_{t-1} showing negative and significant value that means there is a strong co-integration among variables and the short-run break in equilibrium can get adjusted in long-run. The F-value for Heteroskedasticity test state that we will accept the null hypothesis that our series is homoscedasticity whereas serial correlation does not exist in our model as stated from the F-statistics value which is insignificant.

Table 1: Estimated ARDL Model, Long run Coefficients and Short run Error Correction Model.

Regressors	Coefficients	Standard Error	T-ratio (prob)

Panel A: Estimated long run coefficients

IIRT	0.06	0.36	0.15 (0.88)
GPI	1.58	0.45	3.48 (0.00)
WGI	1.31	0.52	2.51 (0.02)
Intercept	0.65	0.32	2.03 (0.06)

Panel B: Error correction representation with short run coefficients

			-1.95 (0.07)
ΔIIRT	-0.14	0.07	
ΔGPI	0.07	0.08	0.74 (0.46)
ΔWGI	-0.07	0.08	-0.85 (0.40)
Δ Coint Eq(-1)	-0.23	0.04	-5.02 (0.00)

Panel C: Diagnostic Tests	Prob. Chi-Square		
Breusch-Godfrey Serial Correlation LM Test	0.55		
Heteroskedasticity Test: Breusch-Pagan-Godfrey	0.23		

Note: The dependent variable is tourism revenue. IITR is investment in transport by road, GPI is global peace index and WGI is world governance index.

Table 1 illustrate the results of the estimates i.e. findings for long-run and short-run relation between investment in transport by road IITR and tourism revenue TR. Keeping insight the outcome from long-run equation, the coefficient of investment in road transport holds positive sign which is statistically insignificant. This indicates that investment in transportation sector increases the tourism opportunities up till a certain extent. After meeting the desired infrastructure, other executive institutions has greater importance to attain the optimum output from tourism sector like robust policies, transparent implementation of rule and law and existence of prosperous environment for international tourists. As mentioned from the

results of control variables, i.e., WGI and GPI, there exist a positive and significant association of both variables with tourism revenue. The coefficient of GPI and WGI is positive and significant in long-run results showing that one unit increase in GPI score and governance indicator score will increase the tourism revenue up to 1.58 and 1.31 dollar respectively.

In contrary, we have observed a negative relation between investment in infrastructure and tourism, which is statistically significant. This indicates that advancement in tourism sector is considered as a dynamic intervention in an economy which is achieved only after meeting certain predefine structural changes in which infrastructure is considered as a component. Therefore, in the short run, investment in infrastructure may negatively affect the tourism industry but after sometime it will have a positive impact, as observed from our findings.

Summarizing the results, we conclude that in case of Pakistan, providing better road infrastructure may help to generate the tourism revenue via boosting up a robust connectivity of different regions in country and eminence access to the magnificent sites for tourists. An unchallenging approach to tourist destination would outcome with facilitating the tourists with a memorable tour and help to generate the repeat visitors as well. Example of Bosnia & Herzegovina and Shaanxi & Guangxi (China) exposes that the main deterrent in the development of tourism sector was poor road infrastructure quality which kept the tourism sector ungraded and low number of tourists (Tisdell and Wen 1991, Lugonja 2014).

In addition, peaceful atmosphere in the territory is obligatory to boost the tourism industry of any region. The results show strong significant and positive results which reveals that non-violence environment is prerequisite for attracting the tourists and attaining economic benefits from the existing tourism resources in the country. An example from Spain divulges that incidence of terrorism affects tourism industry in country badly by scaring away 140,000 tourist between the year 1970 to 1988 (Enders and Sandler, 1991). Parallel results has been observed from a literature which shows that around the world the terrorist attack incidents has vulnerably affect the regions tourism industry (Pizam and Smith 2000).

Likewise, the role of governance is vital in sense of making tourism endorsing policies, providing a vigorous management structure and enforcement of standards for quality output from tourism division. As the results of our study significantly agrees that robust governance would result in increasing the tourism industry output. These results are in accordance with the discussion held in section 2.1 where over the time period, government policies and its valiant initiatives for upgrading tourism industry in China has explained explicitly.

5.1   Discussion

The tourism industry is a wide notion with different affiliated industries like food and beverage services, accommodation services, transport services and some others like sports and culture (WTTC 2017). To understand the major employment trades under tourism industry, the two major sectors i.e., hospitality and tourist agencies has been considered in our study. The major job trades and their description has been acquired from the literature, Pakistan Bureau of Statistics Manual 2015 (PBS), interview of relevant resource persons and desk review of sources mentioned along for achieving objective 3 of our study. The details of job trades under hospitality sector and traveling agencies are mentioned in Annex-B Table 3 and 4.

Universities and vocational institutions in Pakistan are responsible for providing education of tourism management and required skill sets for tourism industry. Currently in Pakistan, almost 53 universities are covering "Tourism" as a subject and offering different courses (at Bachelors and Masters level) in the respective field, follows the similar curriculum and also follow the same core subject applications to that of a business degree, however along with a special attention on tourism and hospitality management (i.e., 66 % of total institutes are offering degree level courses in tourism and hospitality management). So, the prima job demand in the tourism sector is for tourism and hospitality management in Pakistan. This is because; mainly the tourism and hospitality industries are some of the largest companies in the world so there is an increasing demand for tourism graduates along business management skills and training and hence this degree is of a great importance. Besides, some vocational institutions are also operating to prepare the required skills for the tourism industry demand. For instance, National Vocational and

Technical Training Commission is conducting a 6 months course of House Keeping and Cooking Chef, Technical Education and Vocational Training Authority is holding professional Cooking Courses for the trainees whereas a private sector renowned organization Hashoo Foundation is playing a vital role by offering numerous standardize courses around the country for Reception Operation Manager, Accommodation Operation & Services, Restaurant Manager, Food Preparation and Culinary Arts (Cooking/Patisseries), Hotel management, Basic Housekeeping and Laundry Management, Front Desk Manager, and Food and Beverages Services.

6   Conclusion and Recommendations

Progressive strategies and policies are needed for tourism management and its development in Pakistan, which should help to strengthen the economy of country by creating employment, driving exports and generate prosperity across. Developing tourism and traveling (T&T) industry will lead to markup the GDP via increase in internal spending by local resident, nonresident and government on T&T activities, boost in investment activities like construction of restaurants, motels and hotels, infrastructure advancement and rectification of transportation system, and raising the employment opportunities by introducing the advance skills needed in executive and managerial level. The study may provide key guidelines and awareness of the creating upward shift in tourism industry by exploiting best road infrastructure through CPEC road projects and promoting the highlighted tourist spots along CPEC road route.

Communication infrastructure is one of the important ingredients of tourism equation. Making mode of transport worth traveling with improved services and good quality i.e., no traffic blockage, paved road, easy access to the tourist destination and road safety equipment's would facilitate tourists and attract them for repetitive trips as well. Rapid efforts of constructing paved wide road along with road safety lights/slogans and road sidebars is needed to control the worse situation of traffic in the northern tourist spots areas and the accidents.

Accommodation issues has also been observed during recent years because of upsurge tourist arrivals in the northern areas of Pakistan; only in Gilgit Baltistan the accommodation capacity has rose up to 9000 beds whereas the available capacity is not enough. It is therefore recommended

to the Provincial governments to take measures for building accommodation infrastructure according to the exact demand of tourists by keeping a deep insight of total market demand and supply.

The great existing potential of tourism in country can contribute to the employment enhancements and sources of many jobs for the unemployed masses. For the notion of direct job trades mentioned in table 3 and 4, it is advised to develop dynamic international standards curriculum along with new universities and training institutes of tourism and hospitality management for focusing on the academic effort and research work in the field of tourism management and its upgradation. Furthermore, there exists an aptitude of diverse business and employment opportunities for the local masses via tourism promotion in the industry of handmade carpets, embroidery cloths, textiles, wood and metal work, food and taste, jewelry and the promotion of local cottage industry (Fakhar 2010). This would contribute to uplifting the social and economic condition of the rural areas of Pakistan exhibiting poor masses.

Pakistan Tourism Development Corporation PTDC role has been fadeout after 18th amendment even the organization is facing serious financial and authority issues where the authorities have been given the province for managing tourism sector individually as, Tourism Development Corporation Punjab (TDCP), Tourism Corporation KPK (TCKP), Baluchistan Department of Culture and Tourism (BDCT), Sindh Tourism Development Corporation (STDC) and AJK tourism Department. This has reduced the participation of country in international tourism promotions festivals, mismanagement of allocated funds, hiring of unprofessional and non-technical masses, competition with private sector, and therefore, lacking proper planning and performance. Therefore, there is a need of establishing the Pakistan Tourism Board on national level or a Ministry for Tourism Industry organized under the board of directors.

Beside all of the above recommendations, from the study empirical results it is suggested that there is a need of secure environment for the local and international tourists which is essential to elevate the tourism industry. Conducting regular workshops, seminars and conferences in educational institutes, local and regional public platforms about bringing peace and harmony through tourism promotion along with using electronic print media to cease the internal conflicts and exalt the tourism would lead to

post a positive image of the country worldwide. Virtuous management and strong role of public institutions for Pakistan's image building as tourist destination through international and domestic marketing/promotion, inter-provincial coordination for proper planning and functioning framework, extensive research and development in the field of tourism in Pakistan, implementation of international standards, classification and proper licensing of relevant sub industries under the title of tourism, is prerequisite. Moreover, strong stance of government is required in order to eliminate public officials malfeasance within the corporation and incompetence or political base hiring's instead of worthies individuals in order to enhance the productivity of the all the organizations lie within the notion of tourism industry.

References

Adebayo, A.K. and Iweka, A.C., 2014. Optimizing the sustainability of tourism infrastructure in Nigeria through design for deconstruction framework.

Adnan Hye, Q.M. and Ali Khan, R.E., 2013. Tourism-led growth hypothesis: A case study of Pakistan. *Asia Pacific Journal of Tourism Research*, *18*(4), pp.303-313.

Arshad, Muhammad Irshad, Muhammad Anwar Iqbal, and Muhammad Shahbaz. "Pakistan tourism industry and challenges: a review." *Asia Pacific Journal of Tourism Research* 23, no. 2 (2018): 121-132.

Asia, T.T.G., 1994. Ranking of promotional budgets of key Asian NTO's-1992. *TTG Asia*, pp.16-22.

Bahmani-Oskooee, M., Mohtadi, H. and Shabsigh, G., 1991. Exports, growth and causality in LDCs: A re-examination. *Journal of Development Economics*, *36*(2), pp.405-415.

Balaguer, J. and M. J. A. e. Cantavella-Jorda (2002). "Tourism as a long-run economic growth factor: the Spanish case." **34**(7): 877-884.

Charron, N., 2010. Assessing the quality of the quality of government data: A sensitivity test of the World Bank government indicators. *The Quality of Government Institute, The University of*

Gothenburg   (https://www.   qog.   pol.   gu.
se/digitalAssets/1357/1357980_paper-on-sensititivty-tests-of-
world-bank-data. pdf, accessed 26 June 2018).

Dinica, V., 2009. Governance for sustainable tourism: a comparison of
international and Dutch visions. *Journal of Sustainable
Tourism*, *17*(5), pp.583-603.

Enders, W. and Sandler, T., 1991. Causality between transnational
terrorism and tourism: The case of Spain. *Studies in Conflict &
Terrorism*, *14*(1), pp.49-58.

Eugenio-Martin, J.L., Martín Morales, N. and Scarpa, R., 2004. Tourism
and economic growth in Latin American countries: A panel data
approach.

Fakhar, A.H., 2010. *Factors affecting tourism, tourism potential and
strategies for development as an Industry in Pakistan*.

Holzner, M., 2011. Tourism and economic development: The beach
disease?. *Tourism Management*, *32*(4), pp.922-933.

Index, G.P., 2013. Measuring the state of global peace. *Institute for
Economics & Peace, at< http://www. visionofhumanity.
org/pdf/gpi/2013_Global_Peace_Index_Report. pdf*.

Jovanović, S. and Ivana, I.L.I.Ć., 2016. Infrastructure as important
determinant of tourism development in the countries of Southeast
Europe. *Ecoforum journal*, *5*(1).

Kaufmann, D., Kraay, A. and Mastruzzi, M., 2009. Governance matters
VIII: aggregate and individual governance indicators, 1996-
2008. *World bank policy research working paper*, (4978).

Kaufmann, D., Kraay, A. and Mastruzzi, M., 2011. The Worldwide
Governance Indicators: Methodology and Analytical
Issues1. *Hague journal on the rule of law*, *3*(2), pp.220-246.

Khalil, S., Kakar, M.K. and Malik, A., 2007. Role of tourism in economic
growth: Empirical evidence from Pakistan economy [with
comments]. *The Pakistan Development Review*, pp.985-995.

Kim, H.J. and Chen, M.H., 2006. Tourism expansion and economic development: The case of Taiwan. *Tourism management*, *27*(5), pp.925-933.

Langbein, L. and Knack, S., 2010. The worldwide governance indicators: six, one, or none?. *The Journal of Development Studies*, *46*(2), pp.350-370.

Lugonja, A., 2014. Sustainable tourism chance for development Bosnia and Herzegovina. *Гласник Српског географског друштва*, *94*(2), pp.31-44.

Matias, Á., Neto, P. and Nijkamp, P., 2007. Trends in Tourism Research: Prefatory Remarks. In *Advances in Modern Tourism Research* (pp. 1-5). Physica-Verlag HD.

Mishra, P.K., Rout, H.B. and Mohapatra, S.S., 2011. Causality between tourism and economic growth: Empirical evidence from India. *European Journal of Social Sciences*, *18*(4), pp.518-527.

Pesaran, M.H., Shin, Y. and Smith, R.J., 2001. Bounds testing approaches to the analysis of level relationships. *Journal of applied econometrics*, *16*(3), pp.289-326.

Pesaran, M.H., Shin, Y. and Smith, R.P., 1999. Pooled mean group estimation of dynamic heterogeneous panels. *Journal of the American statistical Association*, *94*(446), pp.621-634.

Pizam, A. and Smith, G., 2000. Tourism and terrorism: A quantitative analysis of major terrorist acts and their impact on tourism destinations. *Tourism Economics*, *6*(2), pp.123-138.

Pratt, S. and Liu, A., 2016. Does tourism really lead to peace? A global view. *International Journal of Tourism Research*, *18*(1), pp.82-90.

Prideaux, B., 2000. The role of the transport system in destination development. *Tourism management*, *21*(1), pp.53-63.

Raza, S.A. and Jawaid, S.T., 2013. Terrorism and tourism: A conjunction and ramification in Pakistan. *Economic Modelling*, *33*, pp.65-70.

Risso, W.A., Barquet, A. and Brida, J.G., 2010. Causality between economic growth and tourism expansion: empirical evidence from

Trentino-Alto Adige. *Tourismos: an international multidisciplinary journal of tourism*, 5(2), pp.87-98.

Sari, A.L., 2017. The Role Of Social Workers In The Development Of Tourism Villages. *JISPO Jurnal Ilmu Sosial dan Ilmu Politik*, 7(2), pp.1-23.

Siddiqui, S., Zehra, S., Majeed, S. and Butt, M.S., 2008. Export-led growth hypothesis in Pakistan: A reinvestigation using the bounds test. *The Lahore Journal of Economics*, 13(2), pp.59-80.

Steven, R., Castley, J.G. and Buckley, R., 2013. Tourism revenue as a conservation tool for threatened birds in protected areas. *PloS one*, 8(5), p.e62598.

Thomas, M.A., 2010. What do the worldwide governance indicators measure?. *The European Journal of Development Research*, 22(1), pp.31-54.

Tisdell, C. and Wen, J., 1991. Investment in China's tourism industry: Its scale, nature, and policy issues. *China Economic Review*, 2(2), pp.175-193.

Zhang, W.B., 2015. Tourism, trade and wealth accumulation with endogenous income and wealth distribution among countries. *EcoForum Journal*, 4(1), p.1.