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ECONOMIC AND SOCIAL IMPACT OF TOURISM: THE EXPERIENCE OF SOME COUNTRIES.

***Abstract.** In recent years, there has been a dramatic increase in effect of tourism in countries' economic and social life. And also, tourism is one of the world's biggest industries and one of its fastest growing economic sectors. Many countries have improved their economic and social status such as; employment, infrastructures, balance of payments, gross income and production via developing tourism. The article focuses on the socio-economic role of tourism in the countries budget and the direct and indirect effects on the countries' development.*

***Keywords:** tourism, sustainable development, national economy, global GDP, socio-economic development, direct impact, indirect impact.*

INTRODUCTION

Tourism is critical in creating goodwill among people and, as a result, socioeconomic growth in the country. Tourism as an industry contributes significantly to the country's foreign exchange reserves and provides direct and indirect job possibilities to a broad segment of the population. In addition. It is proved that if we look through last 5 years' statistics about global GDP, tourism plays an important role in achieving a high level of economic development in global economy. According to the data from the World Travel & Tourism Council, traveling and tourism was one of the largest world industries with all economic indicators. The industrial share of tourism in the global economy, including the direct and indirect effects, was 10.2% (7.6 trillion US dollars) of GDP. The tourism industry continually creates new jobs, and is one of the leaders regarding employment. According to the data of 2016, from the World Travel & Tourism Council, the number of the

employees in the tourism industry reached 292 million and 806.5 billion US dollars were invested in the sector, which is 4.4%¹ of total investment. It may be noted that tourism and travelling were catalyzers for social-economic and cultural development of a country (WTTC, 2017). In this connection, the World Travel and Tourism Council (WTTC 2021) revealed that travel and tourism plays a vital role in the employment, both including its direct, indirect and induced impacts; it estimated that 1 in 4 jobs created across the world, i.e., about 334 million or 10.6% of all jobs, accounted for USD 9.2 trillion, 10.4% of global GDP. Meanwhile, international visitor spending amounted to 6.8% of total exports and 27.4% of global services exports, contributing USD 1.7 trillion in 2019. Thus, many countries recognize it as one of the priorities in the development of the national economy.

LITERATURE REVIEW

On the impact of tourism on the socio-economic development of the country many scientists have done scientific research. For example, A.M.Gpudratli tourism positively assessing the impact on the country's economy, the tourism industry generates national income reproduction creating new jobs; with the production of tourist services development of all related industries; social and in tourist centers development of production infrastructure; folk crafts and culture activation of the centers; ensuring an increase in living standards; helps increase foreign exchange earnings. A.V.Strelnikov and the creation of a single new job in this sector is 20 times higher than in the industrial sector found to be twice as cheap. The neutrality hypothesis due to the growth in tourism independent from economic growth and the tourism is not vital component of overall economic activities (Mieiro and Ramos 2010).

Studies conducted for the Middle East countries such as (Tang and Abosedra 2016) examined hypothesis the tourism are driving growth for Lebanon, the results found the tourist led growth. Kreishan (2010) examined the effect of tourism on economic growth in Jordan, the main finding refer to unidirectional causality. Razaq and Masarwah (2006) explained the impact of tourism sector on the Jordaian economy.

The main result is the tourism receipts played vital role in the most important economics variables.

Jeon (2020) initiated a study in Korea to investigate the association between macro and non-macro variables on tourism companies' stock performance. The study included monthly data from January 2001 to December 2018. The results revealed that variables such as oil prices, exchange rate, and industrial production have an adverse effect on tourism companies' stock prices, while the effects of tourism expenditure and consumer price index are positive and significant.

Ivanov and Webster (2013) emphasized the one-way relationship by demonstrating the positive role of tourism on real growth in one hundred and sixty-seven nations. Bouzahasah and EI Menyari (2013) have proven the validity of this hypothesis in the short-run in both Tunisia and Morocco, while the relationship is reflected in the long term. Ohlan (2017) confirmed unidirectional causality which related tourism activity to economic growth and positive impact between financial development and tourism in indian. Chulaphan, and Barahona (2018) investigated whether the expansion of tourism activity contributed to the economic growth of Thailand or an inverse relationship where the economic growth in Thailand leads to the growth of tourism sector, This study were used time series techniques, cintegration and causal tests Granger.

According to Bogdanov Yu.V., 30 tourists are directly one or indirectly two creates new jobs [3]. Researcher Z.M. According to Mukhamedova, The share of tourism revenues in GDP in Uzbekistan if it reaches at least 5%, the number of people employed in this sector will be 2433 people reaches The GDP per capita will increase by 392.1 thousand soums.

DATA AND METHODOLOGY

The experience of some countries

Jordan experience. The tourism sector is a major component of Jordan's GDP and contribute to its development. Several studies have examined the existence of

unidirectional causality links the growth of tourism activity with the high levels of economic growth (Brida, Lanzilotta and Pizzolon 2016), (Devitra and Kyaw 2016), (Husein and Kara 2011). Jordanian has considered tourism as a unique economic activity to stimulate the development of overall economy. The Jordanian Strategic Plan for the Tourism Sector (2018-2022) focused on the development of the tourism sector in order to improve the competitiveness of the Jordanian economy and sustain its growth.(Ministry of Tourism-Jordan).Jordanian economy is suffering from many problems associated with structure of macroeconomics represent of deficit in balance of trade, deficit in balance of payments,high unemployment limited foreign earnings, poverty,high inflation and external shocks. thus, The Jordanian government determine tourism as a key sector to stimulate economic performance by improving efficiency and increasing productivity. Tourism sector can play effective role to help policymakers by increasing tourism receipt, creat positive externality backward and forward linkages to other economic sectors.(cernat and gourdon 2012), (Tugcu 2014). It expands investment opportunities and creates positive return to scale and scope (croes 2006).

Georgia experience. Tourism has a huge influence on the Georgia economy fields, like transport, communications, construction, industry, production of mass consumption products, different spheres of service sector and many others. In recent years, the growing tendency is being observed in terms of international arrivals in Georgia. According to the data from the Information Analytical Department under the Ministry of the Internal Affairs, 7 554 994 visitors were identified in 2017, which is 18.7% more compared to the same reporting in 2016. According to the conditional division, correlation of the participant share regarding 2016 data is as follows: 1.24 hours and more – 2 720 970 visits (42% of the total number); 2. Transit – 1 321 344 visits (20.7% of the total number); One-day visit – 2 318 189 (36.4% of the total number). There are 1765 accommodation facilities with 57049 beds registered in the database of the Georgian Tourism National Administration. 26% comes to Tbilisi, then 20% to Ajara region, the worst situation is in Shida Kartli region, which is one the last place according to the number of overnight facilities in the country.

Currently, 26 brand hotels construction is planned in Tbilisi, Ajara, Samtskhe-Javakheti, Imereti and Javakheti regions.

Saudi Arabia experience. The Kingdom of Saudi Arabia is one of the world's leading economies in terms of tourism. Tourism is crucial to the growth of many economies around the world and has been a subject of extensive research for many years, but very few studies have been conducted in the context of this country. In Saudi Arabia, the contribution of GDP and total employment generated by travel and tourism accounted for 9.5% and 11.2% (WTTC 2019); hence it is a viable option to move ahead toward sustainable tourism with less reliance on traditional means of raising economic growth.

DISCUSSION

The country enters the currency through its participation in the processes of the international tourism market and improve the balance of payments. The generation of income by international tourism is different from that of the economy also affects investments in industries. This is multiplicative leads to economic growth and development through efficiency. So, develop In addition to the development of production, the country's infrastructure and transport, communications lines, trade links, and so on, which ultimately improves leads to the restructuring of the economic system. It is also a tourist attraction due to the demand of tourists for various goods and services at the destinations and through the creation of new networks and activities diversifies the economic structure of the country. In the field of tourism and it new jobs will be created in areas of indirect support, and they reduces the unemployment rate in the country. Tourism develops market relations and among various local businesses related to tourism, as well as the economy establish cooperation between firms operating in other fields. Often, such cooperation leads to the emergence of economic clusters. Taxes on tourism activities fall into different levels of budgets and this indicates the multi-level impact of tourism on the economy.

CONCLUSIONS AND RECOMMENDATIONS

This study is an effort to explore the tourism sector's role in determining the growth in countries economic and social life. Economic impact evaluation assesses tourism's contribution to the economy in terms of money, job creation, infrastructure development, local industry growth, regional development, and changes in people's standard of living. For instance, as we know from the above information that tourism revenues contribute to a real GDP change of 16% over two years in Jordan while the contribution of GDP and total employment generated by travel and tourism accounted for 9.5% and 11.2% in Saudia Arabia . This result is consistent with the long-term and stable relationship between tourism activities and real GDP growth in Jordan. With more clarity, When tourists activites or events increase, the GDP growth rate enhances by increasing in the balance tourism and fixed assets from tourism sector. To conclude, In short, tourism is important in the socio-economic development of the country is important. Therefore, the level of socio-economic development of the country complex, mutual use of tourism potential in order to further enhance the formation of linked mechanisms is required.

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