

## THE IMPACT OF INTERNAL TOURISM CONSUMPTION ON FEMALE EMPLOYMENT, AND TOURISM DEMAND ANALYSIS (CASE OF UZBEKISTAN)

**Kamoliddin Kholboyevich Usanov**

Samarkand Institute of Economics and Service

kamoliddin7777inbox.ru

### ABSTRACT

The article highlights the impact of internal tourism consumption on the female employment rate in services, as well as the effect of capital investments on the internal tourism consumption in Uzbekistan. Together with this, the issues of patriarchal stereotypes that lead to gender inequality are discussed. The demand for domestic tour packages is estimated based on the survey among the local population.

**Keywords:** female employment, internal tourism consumption, stereotypes, tourism demand, investment

### INTRODUCTION

According to the reports of the World Bank, 61% of the world population accounts for the informal employment, 52% are paid for their labor, and 26% consist of the poor or very poor part of the humanity (ILO, 2019, pp.5-6). These figures indicate that human kind is poorly employed and warn us about the severe inequality.

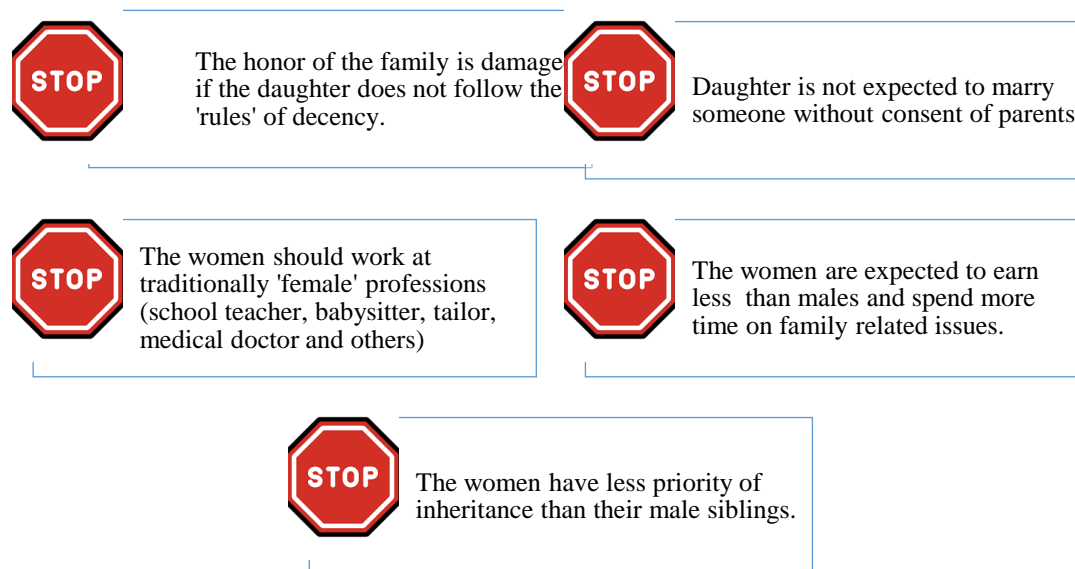
The pandemics of coronavirus added more trouble to the struggling economies with high unemployment rates. Uzbekistan also took remedial measures to prevent the negative impact of the pandemics on the economy. For this reason, the President of Uzbekistan Sh.Mirziyoyev, signed the resolution PR-5969 “About the primary measures mitigating the negative impact of pandemics of coronavirus and the global crisis” on 19<sup>th</sup> March 2020. According to this resolution, 10 trillion Uzbek soums were allocated to save jobs in various spheres of economy, in particular, tourism (The compilation of legislative documents of the Republic of Uzbekistan, 2020).

Recent research of the International Labor Office shows that the global crisis resulting from the Covid-19 will cause 305 million full-time job loss (ilo.org, 2020). In March 2020, about 22 million people applied for unemployment compensation in the USA. Prior to the pandemics, the people receiving unemployment compensation accounted for less than 2 million (kun.uz, 2020).

One of the perspective sectors of the world economy, tourism is considered as a substantial source of income for many

countries of the world. The tourism industry produced 10.4% of the world's GDP and provided 319 million jobs in 2018(WTTC, 2019). These figures show that how important tourism is for the world economy. Not only it is important as a global business, but also it is considered as an important source of income for the vulnerable parts of society, such as the women, the invalid, and others.

Women comprise the largest part of the workforce of the tourism sphere. About 54% of the employed in tourism account for women worldwide(UNWTO, 2019). Female unemployment is one of the important issues in Uzbekistan. Even though a relatively great amount of females graduate higher educational institutions, only small fraction get employed in the first five years (Boltaboev M. et al, 2016). The majority get married and are involved in child-care or household work (Boltaboev M. et al, 2016). This passive labor participation might be attributed to Islamic culture or patriarchal gender systems. The researchers of Muslim societies point out the so-called 'belt of classic patriarchy'. This patriarchal belt stretches from North Africa, across the Middle East to South and East Asia (Caldwell C., 1982). So, Central Asia, namely, Uzbekistan is also part of this belt. The belt is characterized by male domination, early marriage, son preference, restrictive codes of behavior for women, and the association of family honor with female virtue (Library of Congress, 2005). We outline following five common patriarchal stereotypes in Uzbek society (Figure 1).



**Five common patriarchal stereotypes. Figure 1**

The five patriarchal stereotypes in many ways restrict women from getting high-profile jobs, especially, in 'male' specific industries. In our view, these stereotypes are the root reason for gender inequality. Fortunately, there are "female" specific professions, where

women feel free and have better chances for advancement in their career. Tourism is also regarded as a “female” sphere, due to the great number of female guides and catering staff working in tourism infrastructure.

So, in our view, tourism, in particular, internal tourism has a great effect on female employment rate. To verify this assumption, we implemented OLS (ordinary least squares) analysis.

## LITERATURE REVIEW

Pritchard A. and Morgan N.J. (2000) have developed the concept of gendered tourism landscapes and have discussed the interrelationship between patriarchy, sexuality, and tourism promotion. Santos L., Varejao J. (2007) have analyzed the gender wage gap in the Portuguese tourism labor market. Kofman E. and Raghuram P. (2010) study the changes in care landscapes due to women migration in the global South. Cave P. and Kilic S. (2010) examine the extent of gender segregation, in terms of types of work and promotion prospects in the tourism industry. Klarsfeld A. et al (2014) have analyzed the equality and diversity issues in the context of globalization in 14 countries. Aynalem S. et al (2016) explore various literature and reports of international organizations related to employment in tourism and discuss the employment capacity of the tourism sphere. Uzbek economists Boltaboev M. et al (2016) have studied employment issues in tourism. Alrwajfah M. et al (2020) highlight the difficulties that women working in the tourism industry come across in Muslim-developing countries.

### Methodology.

We used econometric analysis, anonymous survey, and graphical interpretation to explain interrelationship among factors.

### Results.

**Hypothesis.** We posed the following hypothesis:

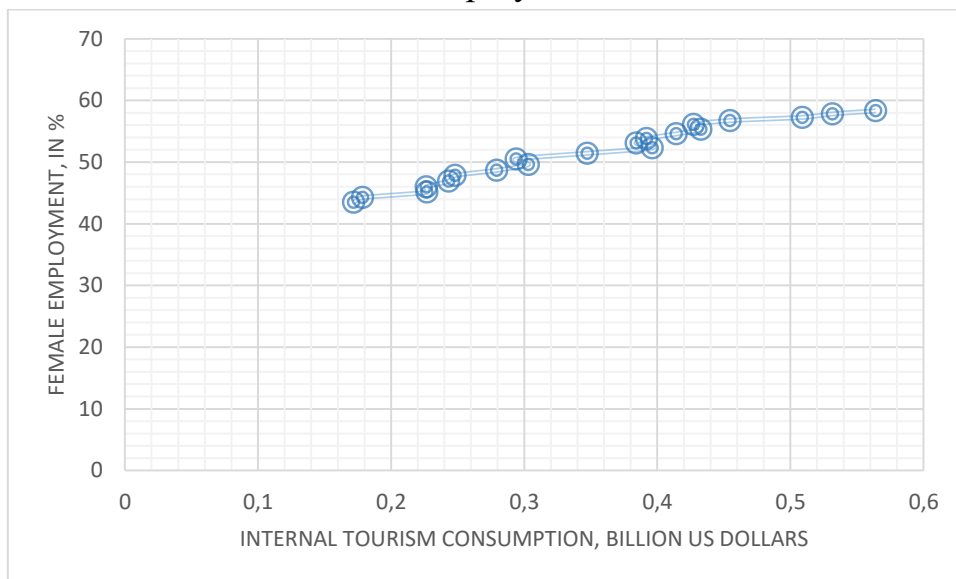
Null hypothesis:  $\left(\frac{1}{H_0}\right)^{-1}$  – internal tourism consumption affects the female employment rate

Alternative hypothesis:  $\left(\frac{1}{H_1}\right)^{-1}$  – internal tourism consumption does not affect the female employment rate.

### Internal tourism consumption –female employment interdependence.

At first, we picked up the data on female employment rate and internal tourism consumption from the open World Bank data (see <http://data.worldbank.org>). Below there is a diagram of the relationship between two factors (Figure 2). As it is seen, the

interrelationship is linear. Based on this we can expect that “when the internal tourism consumption rises, so does the female employment rate”.



**Female employment and internal tourism consumption. Figure 2.**

The above-mentioned relationship can be reflected as a linear regression in the following way:

$$Y = \alpha + \beta X + \varepsilon$$

$\alpha$  – intercept;

$X$  – internal tourism consumption, in billion United States dollars;

$Y$  – female employment in services, percent;

$\varepsilon$  – error term;

$\beta$  – slope coefficient.

Below the results of the linear regression using MS Excel are presented.

**Table No. 1**  
**Statistical parameters.**

	R squared	Coefficients	Standard error	t-statistics	P-value
Intercept	0,96	37,33166	0,655144	56,98	0,000
Internal tourism consumption, in billion US dollar		40,20478	1,774099	22,66	0,000

As the p-values for both intercept and the independent variable are equal to zero, we can say that the parameters are statistically significant. Together with this, the R squared is very high, meaning that internal tourism consumption explains 96% change in female employment rate in services. All in all, we write down our model in the following way:

$$Y = 0,37 + 40,2 * X (1)$$



Namely, one billion dollar increase in internal tourism consumption is accompanied by 40,2 percentage points rise in female employment. For instance, 100 million dollars additional internal tourism consumption leads to a 4% point increment in female employment rate. In brief, we can accept  $H_0$  hypothesis.

Today, internal tourism in Uzbekistan is starting to expand, but still, there are many problems that hinder the rise of the sphere. The biggest problem is the high corruption rate. Uzbekistan is the 153<sup>rd</sup> least corrupted nation among 180 countries of the world according to the 2019 Corruption Perceptions Index (tradingeconomics.com, 2019). Because of corruption investors are afraid of entering the local market. In other words, the rules of the game of investing are not controlled and can change any moment in favor of the third party. The worst is that corruption, over the years, became a “tradition” in the daily life of the citizens. Unfortunately, this trend is very damaging for the tourism image, too.

### Internal tourism demand analysis.

The demand for traveling is a crucial factor in the faster globalization process. To estimate the domestic tourism demand we sent an anonymous poll to 900 men, and 900 women living in Samarkand and Bukhara regions. However, out of 1800, only 1064 responded to the anonymous poll. We used emails and Telegram messenger to implement the survey. The results are given in Table No.2.

**Table No. 2.**

#### The tourism demand survey results

Questions	Options	Number of responses (total number of respondents: 1064)	In percent (rounded)
Gender	Female	224	21%
	Male	840	79%
Age	from 18 to 24	134	13%
	from 24 to 30	306	29%

	from 30 to 36	361	34%
	greater than 36	263	24%
<b>Social status</b>	Student	70	7%
	Unemployed	123	12%
	Pensioner	18	2%
	Employed	853	79%
<b>Education</b>	Higher education (university, institute)	763	72%
	Secondary specialized (college)	283	26%
	Secondary school	18	2%
<b>Married</b>	Yes	877	82%
	No	187	18%
<b>Profession</b>	Driver	33	3%
	Engineer	18	2%
	Accountant	168	16%
	Economist	229	22%
	Teacher	200	19%
	Construction worker	11	1%
	Hairdresser	4	0%
	Medical doctor	11	1%
	Nurse	11	1%
Other	379	35%	
<b>The desire to go in for travel</b>	Yes	959	90%
	No	105	10%
<b>Monthly income</b>	Less than 60 dollar	38	4%
	Less than 100 dollar	81	8%
	from 200 to 300 dollars	138	13%
	from 300 to 400 dollars	92	9%
	from 400 to 500 dollars	39	4%
	above 500 dollars	676	62%
<b>Satisfaction from monthly salary</b>	Yes	400	38%
	No	384	36%
	Sometimes	280	26%
<b>Do prices offered by tour operators and agents like you?</b>	Yes	288	27%
	No	776	73%
<b>If yes what is the reason?</b>	good quality service	95	33%
	low prices	28	10%
	meet my needs	57	20%
	correspond to my income	108	37%
<b>If no what is the reason?</b>	low quality service	151	19%



	High prices	302	39%
	do not meet my needs	71	9%
	do not correspond to my income	252	33%
<b>Will you go on for a trip if the offered tour package price corresponds to your income?</b>	Yes	955	90%
	No	109	10%
<b>What tourism directions would you choose?</b>	Ecotourism	332	31%
	Ethnictourism	24	2%
	Culturalheritagetourism	300	28%
	Huntingtourism	120	11%
	Others	288	33%

Unfortunately, women took part in the survey passively and most of the respondents (79 %) were men. It is also obvious that married people with higher education, income above 500 dollars participated more actively in the survey. To the question of whether prices of tour packages were acceptable most of the respondents (73%) answered negatively. This was attributed to the relatively high prices for tour packages offered by local tour operators and agents. To the question of whether people were willing to go on for a trip if the prices corresponded to their income vast majority answered positively.

So, as it was expected, the results of our survey showed that the problem of low demand for the domestic tour packages lied in the low-income level of the population. Interestingly, many respondents indicated that they would choose eco (31%) and cultural heritage (28%) tour packages.

The above- mentioned facts mean that the well-being of the population is the most influential factor in deciding to travel within the country. Also, particular attention should be paid to the development of eco-tourism sites, parks, and other entertainment.

### **Capital investments-internal tourism consumption interdependence.**

To evaluate empirical dependence of investments on internal tourism consumption we used Keynesian model of income determination:

$$C_t = \beta_0 + \beta_1 Y_t + u_t, \quad 0 < \beta_1 < 1 \quad (2)$$

$$Y_t = C_t + I_t \quad (3)$$

Where

$C_t$  – internal tourism consumption;

$Y_t$  – internal tourism income;

$u_t$  – error term;

$I_t$  – investment expenditure;

If we substitute (2) into (3) we get:  $Y_t = \Pi_0 + \Pi_1 I_t + w_t$  (4)

where

$$\Pi_0 = \frac{\beta_0}{1 - \beta_1}$$

$$\Pi_1 = \frac{\beta_1}{1 - \beta_1}$$

$$w_t = \frac{u_t}{1 - \beta_1}$$

which are short-run multipliers (Gujarati D, Porter D., 2009, p.691).

Now we can estimate (4) using the OLS (ordinary least squares regression).

Using MS Excel we obtained the following results (Table No.3):

**Table No. 3**

**Statistical parameters. Capital investments-internal tourism consumption relationship.**

	R squared	Coefficients	Standard error	t-statistics	P-value
Intercept		0,04	0,021	2,09	0,051
Capital investment on tourism and travel in billion US dollars	0,92	3,22	0,20	15,39	0,000

As we can see in table 3, both intercept and the independent variable are significant (p values are close to zero), as well as capital investments explain 92% of change (R squared) in the tourism consumption, which is very significant. So, according to table 3, a 1 million US dollar increase in capital investments leads to an immediate increase of 3,22 million US dollars in internal tourism consumption in Uzbekistan. In turn, according to equation (1), this will trigger 129 percentage points increment in female employment. In brief, investing in tourism indirectly supports the rise of female employment.

Tourism is also important for personality development. Yurcu G. et al (2017) demonstrated that leisure motivation positively affected the personality traits and social wellbeing of students engaged in tourism. In this regard, tourism is not only important as a source of income for society, but also a key tool to enrich the social wellbeing.



## CONCLUSION AND DISCUSSION

Based on the results, we conclude that internal tourism consumption significantly affects female employment in services. In other words, the more people travel and spend funds on tourism, the more women are employed. Therefore, we propose authorized governing bodies to take the following measures for the development of internal tourism in Uzbekistan:

1. Build specific eco-tourism infrastructure in cities of Samarkand and Bukhara.
2. Desperately fight against corruption.
3. Invest more budget funds on tourism infrastructure and attract more foreign direct investments.
4. Encourage local people to travel within the country: organize exhibitions, shows, concerts and etc.
5. Work out the long-term strategy to change the five common patriarchal stereotypes.

All five measures are important. The first four measures address the development of internal tourism, and the last one is directed to reduce inequality in society. In our view, tourism is the sphere, where the women and other vulnerable groups are more equal than in other industries. Moreover, the sphere plays an important role in personal social wellbeing and in cultural integration. In this regard, internal tourism can be considered as an instrument of social transformation.

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