

THE FINANCIAL AND SOCIO-CULTURAL IMPACTS OF TOURISM DEVELOPMENT IN  
FENGHUANG COUNTY, CHINA.

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**ABSTRACT**

There was a big change as more people began coming to Fenghuang County, China. These changes are happening in both the economy and society. What occurred has altered things for the people who live there. People from all over the world come to Fenghuang. Why? There are many various cultures represented, there are numerous historical places, and most of the structures are still standing. Tourism has helped the economy by bringing in more money, jobs, and business opportunities. Retail, travel, and lodging have all benefited from more people coming to the area. Tourism has also led people to start their own enterprises by supporting the opening of small businesses. The county's economy has improved since its highways, hotels, and cultural institutions have all been updated. The changes might make it easier for the county's economy to grow. Certain individuals are anxious about the rising cost of living, the fact that certain groups receive more money, and the reality that the economy is very reliant on tourism. Tourism brought back relics and long-lost traditions. People are prouder of their town, and people from various groups are getting to know each other better because more people are going to cultural events like arts and crafts fairs and festivals. To get more visitors, both the public and private sectors have pushed to make historic sites and other types of intangible cultural assets easier to get to. Tourism has helped conserve cultural treasures that can't be touched. It may be hard to find a balance between being honest and generating money, especially when. Different generations don't agree on things like keeping historic structures and accepting new cultures. Several external circumstances have influenced the lives of several teenagers by intensifying their aspirations and modifying their objectives. Things have changed.

**Keywords:** Retail, Travel, Historical Places, Generating Money, Tourism.

**INTRODUCTION**

Tourism has swiftly become one of the world's most important drivers of economic development because of the huge influence it has on the economy and cultures of the countries it visits. The rise in both domestic and international tourism in China has had a big effect on local economies, especially in areas with a lot of cultural treasures. This is particularly true in places with a lot of historical and cultural resources. Fenghuang County in Hunan Province is a fantastic example of how tourism-driven growth and keeping cultural identity can work together. This county is a great illustration of this connection, which is amazing. Tourists travel to

Fenghuang, which was previously a remote village, to view its beautiful landscape, old wooden structures, and unique Miao and Tujia ethnic heritage (Laikwan, 2024). This is because it was relatively lonely until lately. The rapid rise of tourism in Fenghuang County has had a big impact on the economy. Because of this, jobs have been generated, infrastructure has been improved, and small business programs have been pushed. More tourism have led to more investment in the hotel, retail, and transportation sectors, which has helped the local economy grow. Because of this, there are now more things that affect the local economy. People are starting to know more about local customs. The government's funding of historical preservation initiatives and architectural works has made the area's cultural importance further clearer (Chen & Yang, 2021). When people talk about selling history to visitors, they typically bring up issues of authenticity, watering down culture, and putting communal values at risk. The huge increase in the number of tourists has led to a lot of societal problems. People are having a hard time because their lifestyles are changing, there are tensions across generations, and the younger generation's aspirations are changing. They need to carefully study how more tourists can affect Fenghuang County's economy, society, and culture. This research focusses on the two consequences that visitors have on Fenghuang County. This county is a great illustration of how tourism is affecting traditional Chinese villages in China today. This case study looks at the county (Fu & Mohi, 2024).

### **BACKGROUND OF THE STUDY**

People from all over the globe, including a lot of Chinese, come to Fenghuang County in Hunan Province for its world-class resort. The county's beautiful environment, various ethnic groups, and rich cultural history all make it a great place for tourists to visit. Fenghuang County lies at the far north of China's southern zone. Small-scale farming and crafts have been the mainstay of the county's economy for a long time. This has been the situation since the county was first set up. This led directly to a dearth of wide-ranging and consistent job opportunities. Because of this, there were always not enough jobs in the town, and a lot of people, especially young people, travelled to cities to find better ones. The younger generation thought this was highly essential. The fast rise of tourism in Fenghuang County has changed the dynamic a lot, and this might have both good and bad effects. This change is directly caused by the tremendous growth that comes with tourism. The expansion of tourism has led to the creation of numerous new employment in a wide range of fields. These areas include retail, cultural events, transportation, and hospitality. This occurrence shows that the long-standing issue of not having enough staff has been solved rapidly. The creation of these jobs has led to many good things. The overall goal is to get rid of poverty, help small and micro companies develop, and provide families more ways to make money (Su & Teo, 2021). The percentage of families experiencing enhanced financial stability is closely linked to these results, which have been increasing. On the other hand, tourism's key position in the economy has created new weaknesses in communities. This is because more tourists are the main thing that is driving the economy ahead. The economy's long-term financial stability and capacity to grow in a way that is good for the environment are in doubt since there are so many low-paying, service-oriented employment that are only

accessible for a short time. People are worried about these things because the economy is getting better. There are a lot of complicated relationships between the few occupations that are available and how they affect the economy of Fenghuang County. Even while more tourists have come to town, which has helped lower unemployment and improve the local economy, the community is now more subject to economic uncertainties. These unknowns are linked to changes in the market and demand from outside causes. Given this situation, it is important to look at how tourism may affect the county's economy and aid with job shortages (Zhu, 2022).

### **PURPOSE OF THE RESEARCH**

This study can examine and assess the existing situation to get a deeper understanding of how the rise in tourism in Fenghuang County addresses the issue of limited employment opportunities and its financial impact on the local population. The main purpose of this research is to find out how employment vacancies in the tourist industry impact family income, financial stability, and attempts to decrease poverty. This can make it feasible to provide a more detailed account of the issue. This research examines possible restrictions associated with seasonal, low-paying employment or those focused on service provision. The main objective of the study is to ascertain this. The goal of this research is to provide insight on the contradictory character of tourism, which may both reduce unemployment and lead to economic instability. The stated objective is to address the issue of unemployment, and this is pursued accordingly. To do this, an investigation into the suggested link can be carried out. In conclusion, this research seeks to elucidate the influence of tourism-induced employment increase on the economic environment of Fenghuang County. This is the major goal of the study. This association wants to help politicians and other interested parties come up with policies for sustainable economic development that combine short-term job advantages with long-term stability. The major purpose of this group is to make this happen. This is the main goal of the group.

### **LITERATURE REVIEW**

The results of this research indicate that proponents of tourism development in rural and historic areas often use it as a remedy for the deficiency of employment in these sectors. There have been a number of reports about this issue. No matter what, the economic impacts of more tourists are causing big concerns. This is the new normal, even though studies show that bringing in more visitors is a typical solution. Tourism might offer long-term financial stability, but the fact that many of the jobs it produces are short-term, low-paying, or informal limits its influence. Because of this, it is hard to be sure that the tourism business can be financially stable in the long run. The tourism business creates diverse job opportunities, according to a number of research. Studies demonstrate that rural tourism in China helps families make more money and lowers the number of people living in poverty (Aas et al., 2025). The results of these studies support this up. Still, rural tourism is known for not sharing the rewards evenly. Local workers are frequently pushed out in favour of ambitious families and investors from other countries. This is true in many different situations. On the other hand, the laws and patterns of

concentrated ownership in Fenghuang County determine who benefits the most from tourism. Given this, one can ask whether tourism helps to fix structural unemployment or if it only makes the cycle of inequality worse. The county's increasing tourism business has directly led to more employment openings. Also, the rise has made it easier to promote company ventures. The complexities of migration make this connection even more difficult. For example, both in-migrants and return migrants might find work in the tourist business. When they think about how migration works, this relationship becomes a lot more complicated. This might assist with local shortages from time to time, but it could also make things more competitive and put greater pressure on salaries. The presence of migrants makes the explanation more complicated, making it hard to see how these two fundamental notions are connected. Experts in the sector say that the amount and quality of jobs offered, as well as the rules that govern how financial incentives are given out, are important variables in deciding whether tourism can help with job shortages. The academic community has expressed this perspective. Everyone in the academic community agrees that this is the right point of view (Ye et al., 2023).

### **RESEARCH QUESTIONS**

What are the effect of job scarcity on financial impacts on Fenghuang County?

### **RESEARCH METHODOLOGY**

#### **Research Design**

Methodology used SPSS version 25 to do the quantitative data analysis. The direction and intensity of the statistical association were determined using the 95% confidence interval and odds ratio. At  $p < 0.05$ , the researchers established a criteria that was considered statistically significant. The data's essential features were extracted using a descriptive analysis. When analysing data transformed by computing tools for statistical analysis or data collected from surveys, polls, or questionnaires, quantitative methods are often used.

#### **Sampling**

In order to contribute to the study, participants were asked to fill out questionnaires. Researchers sent out 730 questionnaires after using the Rao-soft algorithm to establish that the study population consisted of 630 participants. After receiving 700 responses, researchers omitted 30 because of missing data, resulting in a final sample size of 670.

#### **Data and Measurement**

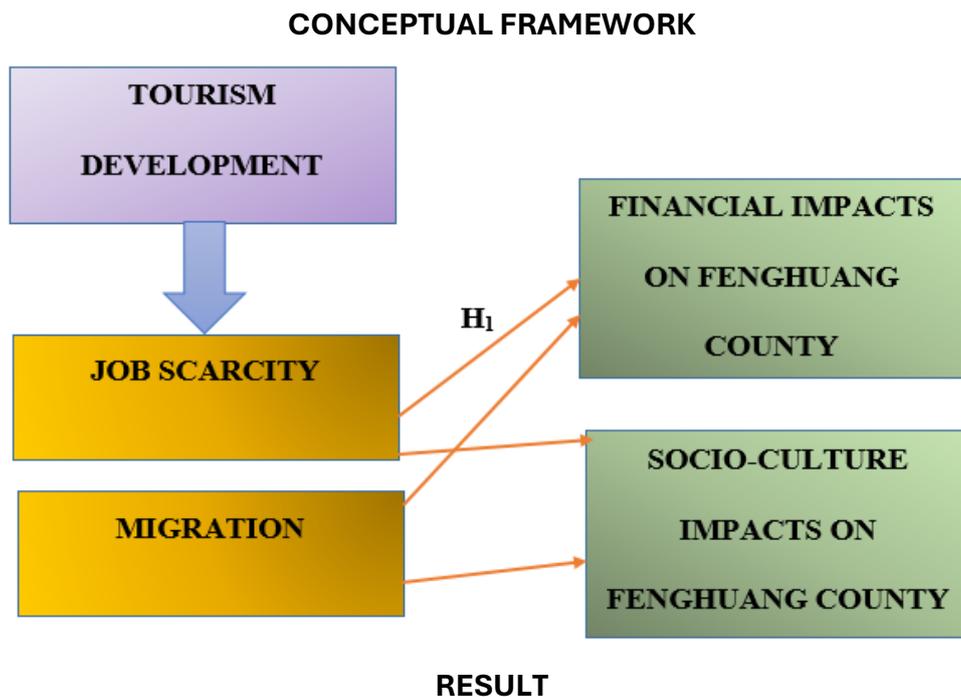
The primary method of data collection in the research was a questionnaire survey. Part A of the survey asked for basic demographic information, while Part B used a 5-point Likert scale to collect responses on characteristics related to online and offline channels. Many sources, largely online databases, provided the secondary data.

### Statistical Software

With the help of SPSS 25 and MS-Excel, ran the statistical analysis.

### Statistical Tools

Using descriptive analysis, to understand the data on a basic level. The researcher must use ANOVA to analyse the data.



**Factor Analysis:** A common use of Factor Analysis (FA) is to uncover latent variables within observable data. In the absence of definitive visual or diagnostic indicators, it is customary to use regression coefficients for evaluations. In FA, models are crucial for success. The objectives of modeling are to identify errors, intrusions, and discernible correlations. The Kaiser-Meyer-Olkin (KMO) Test is a method for evaluating datasets generated by multiple regression analyses. The model and sample variables are confirmed to be representative. The data indicates redundancy, as seen by the figures. Reduced proportions improve data comprehension. The KMO output is a numerical value ranging from zero to one. A KMO value ranging from 0.8 to 1 indicates a sufficient sample size. The below quantities are considered suitable, according per Kaiser: The subsequent approval standards established by Kaiser are as follows: A lamentable 0.050 to 0.059, insufficient 0.60 to 0.69

Middle grades often span from 0.70 to 0.79. Exhibiting a quality point score between 0.80 and 0.89. They are astonished by the range of 0.90 to 1.00. The outcomes of Bartlett's test of sphericity are as follows: The degrees of freedom for the chi-square test are around 190, with a significance level of 0.000.

**Table 1.** KMO and Bartlett's Test for Sampling Adequacy (Kaiser-Meyer-Olkin statistic: 0.870).

<b>KMO and Bartlett's Test</b>		
<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</b>		.870
<b>Bartlett's Test of Sphericity</b>	<b>Approx. Chi-Square</b>	3252.968
	<b>df</b>	190
	<b>Sig.</b>	.000

This illustrates that claims made for sampling reasons are valid. Researchers used Bartlett's Test of Sphericity to assess the significance of the correlation matrices. A sample is deemed good based on the Kaiser-Meyer-Olkin criteria when the result is 0.870. The p-value derived from Bartlett's sphericity test is 0.00. The correlation matrix is not an identity matrix, as shown by a statistically significant outcome from Bartlett's sphericity test.

### INDEPENDENT VARIABLE

**Tourism Development:** When talking about a certain location, "Tourism development" indicates the planned and structured increase of services and attractions that are meant to attract visitors. This is the definition of "tourism development." This means making the area's physical infrastructure better, such transportation, housing, and hospitality services. It also means making laws and programs to help with it. It also includes making the area's physical infrastructure better. Also, more firms are opening that provide services related to the hotel sector. Tourism is changing, as shown by more tourists and better visitors, as well as more people being attracted to the country's natural and cultural assets. "Tourism development" means both the growth of the tourism industry as a major factor in Fenghuang County's economic growth and the changes that have happened in the community as a whole because of more tourists, new jobs, and the mixing of different cultural traditions. In other words, all of these regions are part of the rise of tourism. This independent variable is the basis for comprehending the region's social, cultural, and economic effects (Zhang et al., 2023).

### FACTORS

**Job Scarcity:** In many parts of China, including Fenghuang County, there aren't enough employment. This is a huge issue that has to be addressed. This is because there weren't many employment in the past since the sector didn't grow significantly and people still depended on traditional farming. They need to take care of this problem. They have to do something about this problem. They need to deal with this right now. The increase in tourists has created a lot more employment in the hotel, transportation, retail, and cultural performance industries. This has made the gap much less severe. This problem has been addressed. This increase has aided a lot of other businesses, especially those who put on cultural shows. On the other side, tourist employment are usually short-term, depend on the availability of services, and pay very little.

So, one would think that long-term financial stability is not guaranteed, even if there are less work opportunities. So, this is the logical end (Wood, 2024).

## DEPENDENT VARIABLE

**Financial Impacts On Fenghuang County:** The phrase "dependent variable" refers to the financial impacts that result from a rise in tourism in Fenghuang County. The tourism industry's meteoric rise is directly to blame for these economic impacts. A lot of different things happen because of these effects. These include more jobs, greater household incomes, and more money for the government from taxes and fees, and the growth of local companies (Cohen & Cohen, 2021). Tourism boosts both direct and indirect work opportunities, which in turn encourages people to start their own businesses, such as restaurants, homestays, and craft stores. Tourism also helps pay for improvements to infrastructure, which in turn improves the economy as a whole and has a multiplying effect on many other sections of the city. This is because infrastructure depends on the need for tourists. The need for tourism is linked to spending on infrastructure. The financial effects are a big sign of how the rise of tourism affects the health and long-term success of the home town. This is how things have changed because the development of tourism has naturally led to financial problems (Zhang et al., 2024).

**The relationship between Job Scarcity and Financial Impacts On Fenghuang County:** Fenghuang County is a good example of how the absence of freely accessible work opportunities affects people's finances. This is because there are a lot of people out of work in the area. One of the many good things that may happen if tourism increases is that people can make more money and new companies may open that are owned by people in the area. On the one hand, more tourists means more jobs, which helps fill gaps in the local workforce. But depending on tourism as the only way to get job might be risky for the finances. This is because the amount of money made depends a lot on how many people want to come and how the market is doing outside. They need to turn to the tourism sector to help us fix the issue of not enough employment. While tourism may momentarily alleviate unemployment, it cannot address the fundamental structural issues hindering long-term economic development. This is because tourism leads to more business activity. The tourism industry is quite unstable, which makes it an important source of revenue and a cause of economic instability in many areas. This is because a lot of visitors might create trouble. The major reason people think about the financial impacts of tourism is because there aren't many jobs available (McCool, 2021).

On the basis of the above discussion, the researcher formulated the following hypothesis, which was analyse the relationship between Job Scarcity and Financial Impacts on Fenghuang County.

*"H<sub>01</sub>: There is no significant relationship between Job Scarcity and Financial Impacts on Fenghuang County."*

*“H<sub>1</sub>: There is a significant relationship between Job Scarcity and Financial Impacts on Fenghuang County.”*

**Table 2.** H1 ANOVA Test.

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	39588.620	137	5652.517	1055.954	.000
Within Groups	492.770	532	5.353		
Total	40081.390	669			

In this study, the result is significant. The value of F is 1055.954, which reaches significance with a p-value of .000 (which is less than the .05 alpha level). This means the *“H<sub>1</sub>: There is a significant relationship between Job Scarcity and Financial Impacts on Fenghuang County.”* is accepted and the null hypothesis is rejected.

### DISCUSSION

This research underscores the importance of secure environment by highlighting their substantial influence on the financial transformations resulting from the increase in tourism in Fenghuang County. A thorough investigation was conducted to provide the results of this study. Tourism can thrive, financial assets can be maintained, residents can become engaged, and society can come together if the correct policies are in place. All of these objectives are possible to attain. It's fairly evident that the restrictions are there to safeguard financial things. If these laws weren't in place, mass tourism and consumerism would destroy financial impacts and historical sites. The conversation suggests that government policies that put money ahead of financial might create difficulties without meaning to. This is evident from the chat. Policies that encourage big construction projects to bring in more tourists might end up commercialising traditional activities and ruining cultural assets. These rules may also make it simpler to develop attractions for tourists. There is some evidence that secure environment might impact on financial assets, social cohesiveness, and community values. All of these goals are possible. Following the rules is very important since they form the foundation of this cooperation. If local stakeholders aren't included in decision-making or if monitoring methods aren't strict enough, assistance programs could not work. A big fear is that the steps may not operate as expected. Laws aren't enough; the government also has to make sure that people use them correctly and let the people who benefit from them can have a vote in how they're used. Policies help meet regulatory goals and strike a balance between protecting culture and promoting economic progress. This is the outcome based on all those criteria. The debate says that government actions may safeguard people and also make financial problems more likely to happen. This is one possible outcome. To sum it up, this is the major point of the argument. With the correct amount of preparation and thinking, they might help people from different cultures get along better, keep cultural traditions alive, and make people from other financially feel more

welcome. Policies that are mostly centred on economic considerations and don't take into account local customs might lead to cultural deterioration and loss of identity, nevertheless. This is because these rules don't take into account the culture of the company at all. This is the other side of the story. Fenghuang County emphasises both the preservation of financial assets and the promotion of tourist growth. The fact that these things have happened in various sections of the county shows this. The government generally employs secure environment to keep things under control.

## **CONCLUSION**

The fast growth of the tourism industry has had a big effect on Fenghuang County's economy and for secure environment. At this point, it's clear that this is the case. These data show that tourism is very important for economic growth, creating jobs, and helping businesses grow. There are many more benefits than just money. This document talks about the findings of the inquiry. The management and organisation of the tourism industry have a big effect on its social characteristics. This includes protecting financial assets, keeping community identities, and keeping up with old customs. This occurs because tourism is a big boost to economic growth. During this discussion, we've been thinking about what the government should do. Policies that put financial preservation and sustainable tourism first might help people from different cultures understand each other better and bring peace to society. Taking part in these activities also makes it more likely that people can get along with one other. These constraints may also help keep important historical practices and ideas alive. Another way to look at it is that policies that put economic incentives first may lead to the commercialisation of culture, the loss of community identity, and the breakdown of social institutions. These results might hurt the communities they affect. The survey results show that it is very important to find a way to make money while still protecting financial assets and secure the environment. To find this balance, need strong laws, a government that includes and represents everyone, community engagement, and effective enforcement mechanisms. The goal of Fenghuang County's tourism development plan is to make money while also protecting assets. The reason for this is because the two are very closely linked. This manner, not only the current generation be able to benefit from the tourism boom, but future generations can also be able to do so.

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