

Socioeconomic and Environmental Impacts of Resort Business on Local Communities in Bangladesh: A Study on Sajek Valley

Shelamony Hafsa¹

ABSTRACT

The study focuses on the inclusivity of tourism development and the impacts of tourism and resort business on Sajek Valley. It employs both qualitative and quantitative research methodology. The research effectively quantifies economic, social and environmental dimensions using quantitative approach where necessary primary data were collected from residents and stakeholders. The Smart PLS framework facilitated the modeling of complex interactions among the effects of resort businesses. The result indicates the all-tested hypotheses were accepted, revealing positive relationships between resort development, including economic growth, social interaction & community. Articles, books, periodicals, newspaper, journals are studied as secondary data collection tools and qualitative analysis are done based on past literature. However, the findings also underscore critical concerns regarding cultural erosion and environmental degradation associated with rapid resort expansion. The study emphasizes the imperative for community engagement, responsible resort practices and the implementation of sustainable tourism development strategies to mitigate adverse effects.

KEYWORDS: Community, Resort business, socio-economic aspects, Stakeholders, Sajek Valley

1. Introduction

Resort business is a growing business where business operators can secure future investment and development opportunities through using a limited initial investment. Resort generally offers reasonable access to recreational facilities, large open spaces, and sustainable food service to guests (Gee, 1998). Bangladesh has high prospects in the resort business due to its availability of natural resources.

The Chittagong Hill Tracts (CHT) region (which covers about 10 percent of the country's total land surface) comprises three hill districts named Rangamati, Khagrachari, and Bandarban (Rosy, 2021).

¹ Department of Tourism and Hospitality Management, Noakhali Science and Technology University, Bangladesh. (**CORRESPONDING AUTHOR**)

 shelamnyhafsa@nstu.edu.bd

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Chittagong Hill Tracts, covering approximately 13,295 square kilometers, is naturally unique (Hossain, 2015) due to its hills, valleys, rivers, waterfalls, caves, and forests, as well as home to different indigenous groups (Chakma, Marma, Tripura, Bawm, Chak, Khumi, Khyan, Mro, Lushai, Uchai and Tankhu and others (Chandra, 2017)) with rich culture, traditions, dress, and lifestyles. The entire Chittagong Hill Tracts possesses enormous potential as a leading tourist destination (M.S. Rahman, 2021) in Bangladesh, with limited barriers. Sajek Valley, an emerging tourist destination in Bangladesh, is in Rangamati district under the Banghaichhari upazila. This place is surrounded by the hills of Mizoram to the east and Tripura to the north. Sajek is famous for its unique natural beauty as well as the unique cultural diversity of the indigenous people.

In previous times, reaching Sajek wasn't easy due to a lack of road/communication facilities. Bangladesh Army developed the road transport facilities to make local people's communication easy and secure. After that, tourists can also visit Sajek and enjoy the scenic beauty easily. Alongside the ethnic community leaders, the Bangladesh Army and the BGB (Border Guard Bangladesh) provide security for the hilly areas. More than 100 Cottages and resorts (according to COAS) (Ali, Jun 15, 2021) are serving as accommodation facilities for tourists. Several restaurants, souvenir shops, and handicraft shops are also operating to sell locally produced goods to tourists. In the past, local people lived their lives based on Jhum cultivation, but now they have diverse opportunities at their fingertips. They can work at different resorts and cottages, restaurants directly, or they can earn money by supplying the raw materials to them or providing technical support. The ethnic people can also earn money through renting their land or participating in a resort business partnership.

Thus, their economic, social, and cultural situations have dramatically changed, and awareness has developed for ensuring environmental and cultural preservation. They are focusing on maintaining the sustainability of natural resources as well as cultural preservation. But nowadays, many unplanned resorts are made, which causes negative impacts on ethnic people. For minimizing such negative impacts and maximizing the positive benefits of resort business and ensuring overall sustainability, planners and policymakers need to be more aware. The government and planners need to be focused on the sustainability of the place and take necessary steps to develop sustainable infrastructure and superstructure for the flourishing of tourism and the place.

2. Literature Review

2.1 Overview of tourism and resort business in Bangladesh

Tourism plays an important role in social & cultural preservation, economic mobility & sustainability, and resource conservation. However, tourism also causes environmental damage because it is often developed in areas that have attractive but fragile environments (Chuck G., 1988). Tourism is typically regarded as an effective tool for enhancing economic growth, particularly for developing countries, through attracting visitors from outside a host community (Silberberg, 1995).

Laring said in a study that around 17,000 resorts are operating worldwide, among which 2500-6000 were declared as first or second-class service providers (Brodowicz, 2024). Resorts generally offer a more extensive level of service. The resort businessman is facing several challenges while operating the business. Among them, the most pressing challenges are economic challenges (faced

while operating resort business profitability) (Brodowicz, 2024). Limited or poor profitability decreases the opportunity to enhance the service quality and cope with modernization.

Bangladesh is one of the third-world countries having a scarcity of finance, but it can increase its GDP by giving stress to the tourism industry (Hafsa, 2020). Among the tourist destinations in Chittagong Hill Tracts (CHT), Sajek, surrounded by the hills of Mizoram to the east and Tripura to the north, is getting popular day by day due to its natural beauty and the uniqueness of the local community. Tourists' interest can be observed by hearing the number of resorts grown in that area, according to the Cottage Owners Association (COAS), 83 cottages and resorts are listed till 2021 from its initial tally of six in 2016 (Ali, Jun 15, 2021). The Headman of Ruilui Mouza said that Sajek is now one of the most sought-after tourist spots in the country (Ali, Jun 15, 2021). Cottages in Sajek can accommodate about 3000 people (Bhuiyan, December 13, 2020) but are unable to meet peak time demand.

Unlike traditional hotels that serve temporary customers, the resorts are seen as a destination and designed to cater to excursions & leisure travelers (Chuck G., 1988). However, this area is developing unplanned, which may cause an unsustainable condition in the future. Considering the natural views, unique tourism products & favorable conditions, many entrepreneurs have started to plan for developing new resorts in Sajek Valley without considering the impacts on the local community people. This construction of resort facilities has often been in direct conflict with many residents who are worried about change and the effects it will have on their lives (Hafsa, 2020). Alongside, many local people become aware of ensuring the conservation of their resources as well as focusing on their proper waste management systems. Resorts development will have direct & indirect impacts on the local economy, which helps to create an additional income source for residents (Knox, 1984). It will have additional pressure on current utility supplies and infrastructure.

2.2 Impacts of resort business on stakeholders of Sajek Valley

2.2.1 Socio-cultural Impact

The environmental impact of resort businesses can be observed in several critical areas. One major consequence is changes in land use and habitat disturbance where natural landscapes are transformed into urbanized area, leading to habitat disturbance where natural landscapes are transformed into urbanized areas and reduced biodiversity (Shera, 1992). For example, the development of coastal resorts has been linked to the destruction of ecosystems like coral reefs and mangroves, which are essential for marine life (Murphy, 2009). Resorts also consume substantial resources, such as water and energy, exacerbating water shortages, contributing to climate change through greenhouse gas emissions from fossil fuels, and causing other negative environmental impacts (Ramkissoon, 2020). Resort also has impacts on waste management, resulting in pollution and harm to local ecosystems (Zoweil, 2012). Despite these adverse effects, resort businesses can promote local economic growth and sustainability when promoting eco-friendly practices such as renewable energy and recycling, and benefit sharing with local communities (Surya, 2020). However, regulatory frameworks and effective policy are essential for sustainable tourism practices.

i. Cultural diversity and preservation

Bangladesh has rich cultural resources, and those diversified cultural resources are becoming a major tourism attraction day by day. Now, tourism businessmen and tourists have developed a profitable and cordial relationship with local ethnic groups, which can be one of the essential components of sustainable tourism practice. Tourists increasingly seek unique experiences that allow them to engage with local culture and adventure, emphasizing the importance of the "experienced economy" (Pine, 2011). Tourists are now visiting the hill tracts to enjoy the cultural attractions of different ethnic groups. Many Bengali resort businessmen said that tourists are coming to Sajek Valley not only for its natural beauty but also to familiarize themselves with the culture and living style of the ethnic groups (Saifuddin Ahmed, 2023). Spending time with local people, enjoying their lives, cultures, traditions, purchasing their handicrafts and unique dresses, ornaments, and foods, are also attracting tourists to visit Sajek Valley. A local resort businessman said in his interview that the Lusai and Tripura communities have maintained social harmony between them, and their youth associations serve as the local civil society (Chakma S. C., 2019), which helps to run the tourism business smoothly in that area.

ii. Enhancing the local security system

The security system needs to be properly maintained both for the local community and tourists. Although the Bangladesh Army is responsible for the security and administration of that place, the local community's power and internal security system are always important for making any decision (Ali 2021). In Sajek, the Local community's practiced rules and regulations get priority for solving any dispute issues (SH, 2017). Bangladesh Army works like a middleman to provide security for locals and tourists and solve any kind of unavoidable situations. Cooperation among different community groups is the strongest part of security, which has increased now due to the tourism business flourishing (Scheyvens, 2018). Now locals are also interested in involving them in resort activities.

iii. Educational Facilities Improvement

In previous times, locals were unaware of educating their children; if they were aware, they were unable to continue their education due to poor financial support. But after regional development through tourism activities, they can gain additional financial facilities, and awareness has risen. Moreover, the rate of education has also increased in that region after the enhancement of the tourism industry (Mallik B, 2022). Local people shared that their schools were not functioning properly before, but now regular classes are held (M. Meera, 2023). Also, digital schools are offering different programs for their children after the development of communication systems and network facilities. One of the Army members said that now everyone can see schools in remote areas, and Children are studying there. Different NGOs are also working to enhance educational facilities in Sajek Valley, and even responsible tourists take part in encouraging local education (Saifuddin Ahmed, 2023).

iv. Strong relationship among stakeholders

The tourism industry has positively benefited the local community in terms of modernization. In previous times, communication system was poor in Sajek Valley, no electricity facilities were there, locals were just living their life hunting animals (like elephants, tigers, bears etc.) (Chakma M., 2016) With touch of tourism resort business, more tourists are visiting, the entire communication system, road transport facilities improve, and electricity facilities are now available, relationship among

different communities also enhanced. They are focusing on tourism activities, carrying their products and goods easily in the market, and getting better prices. The headman of Konglak para echoed the same thing that their community's bonding has improved after the tourism industry's enhancement (Saifuddin Ahmed, 2023). Now they have the opportunity to sell their locally produced goods to tourists easily. Their entire society is getting a positive vibe due to the enhancement of tourism activities as well as resort business establishments in their area.

From the above literature, the hypothesis can be set as:

H1: Resort Business has a positive social impact.

2.2.2 Environmental Impact

The demand for practicing sustainable tourism is rising (Dodds, 2005). To mitigate tourists' carbon footprints, many resorts adopt sustainable practices, including eco-friendly construction and energy conservation (Bohdanowicz, 2005). The resort owner association also tries to keep the environment clean so that it can create a positive image in the minds of tourists. Knowledgeable and aware tourists through the garbage in the dustbin and unaware tourist through garbage on the road, so resort owner association of Sajek Valley made different rules like collecting garbage through garbage trucks & burn it once in a week, monthly cleaning campaign with the help of local administrations where at least one member from each restaurant and the president of the resort owner associations participated (Saifuddin Ahmed, 2023).

Collaborations with locals help resorts with broader destination brands, enhancing visibility, engagement, and sustainability (Granter, 1994). Tourists are now more focused on environmental protection, and local people will be more cooperative if they can earn from tourism activities without harming the environment. In today's digital era, social media, online reviewers, and influencers are also trying to raise public awareness (Terry, 1988). External factors such as natural disasters and economic downturns can significantly affect the resort sector, prompting research on crisis management strategies (Faulkner, 2001).

The hypothesis can be set as:

H2: Resort business has a positive environmental impact.

2.2.3: Economic Impact

Resort Business has a profound economic impact on local communities, particularly in areas where tourism is a major factor in economic development. Resorts are crucial in driving economic growth by generating employment opportunities, boosting local commerce, and attracting investment in infrastructure.

i. Job opportunities creation

One of the primary economic benefits of resorts is the creation of jobs. Resorts often hire a variety of local workers, from those in hospitality to service providers, thus providing direct income to the community (Yau, 2018). These job opportunities not only offer immediate financial relief but also help reduce unemployment in areas that may have few employment options (Pizam, 1978). Ethnic people who were previously dependent on Jhum cultivation now have the opportunity to work (both part-time and full-time) in restaurants, resorts, and hotels. They are now also interested in serving as businessmen and investors in tourism activities. Many Tripura communities agreed that their

economic standards changed after starting the resort business (Chuck G., 1988). Many of them also rent their available land to other resort owners (Chakma M., 2016), through which they can earn money. Basically, tourism activities and resort businesses create a win-win situation (Saifuddin Ahmed, 2023), both for the locals and the tourism industry. They also provide home-stay facilities to tourists where tourists can get the opportunity to stay with ethnic people, enjoying their food, observing their cultures and lifestyle, which can indirectly promote community-based tourism also.

ii. Market for selling local products

Resorts also contribute to the local economy by attracting tourists, whose spending supports multiple sectors like agriculture, retail, and transportation (Telfer, 2002). The wider economic effects of tourism are evident in the multiplier effect, where money spent by tourists circulates. Through the local economy, it benefits smaller businesses and local entrepreneurs. Resorts often stimulate the development of local businesses, from souvenir shops to services like tour guides and transportation providers (Zaidan, 2016). Now, more tourists are visiting Sajek and purchasing local products, ethnic dresses, and souvenirs from locals, which helps to create a local market for selling their produced goods at a good price.

iii. Infrastructure and superstructure development

Resort development typically brings investment not only in the resorts themselves but also in essential infrastructure like roads, airports, and utilities, which can provide long-lasting economic benefits for the region (Hall, 2012). Locals had to use only their feet to reach Baghaichari or Marishya in previous times, but after the development of Sajek valley as tourist spots, new roads have been constructed (Chakma M., 2016), and electricity & network facilities have improved. One of the local businessmen said that they had to go to the market by walking for two days to sell the goods and get a good price, but now they can sell the same goods from home at the same price (Saifuddin Ahmed, 2023). This improved infrastructure makes the area more attractive to other industries, encouraging further diversification of the economy. Resorts also play a key role in generating tourism-related revenue, which can contribute to government funding through taxes, supporting essential public services such as healthcare, education, and community development (Bramwell, 1996).

iv. Improves the standards of living

People living in Sajek have direct participation in tourism activities. Many of them work as investors (either they render knowledge, land, money, or service), which helps to change their entire living standards (Hafsa, 2020). Personal development of ethnic minority groups happens with the development of the Sajek Valley as a tourist attraction. Almost all of the Lusai community are now involved with business, whereas they were dependent only on Jhum cultivation in the last 5-6 years ago (Saifuddin Ahmed, 2023). Now they are economically solvent, their children are getting basic education facilities, awareness among the community increases, and overall, the situation of everyone has positively changed.

v. Contributes to overall regional economic development

Furthermore, resorts often attract both public and private investments, fueling further regional economic growth (Khan, 2018). In conclusion, resorts can act as major drivers of economic progress in local communities, fostering employment, infrastructure growth, business expansion, and government revenues, provided their development is managed sustainably.

Therefore, for we can hypothesize that

H3: The resort business has a positive economic impact.

2.3 Conceptual Model

The conceptual model in Figure 1 illustrates the hypothesized relationships between three key factors, social, economic, and environmental, and their impact on the resort business. It posits that social factors (H1), such as community engagement and customer demographics, economic factors (H2), such as tourism spending and local economic conditions, and environmental factors (H3), including sustainability practices and the effects of climate change, all influence the success of resort operations. Each of these factors is hypothesized to directly affect resort business, and the model visually represents these relationships to explore how external conditions collectively shape the performance and sustainability of resorts.

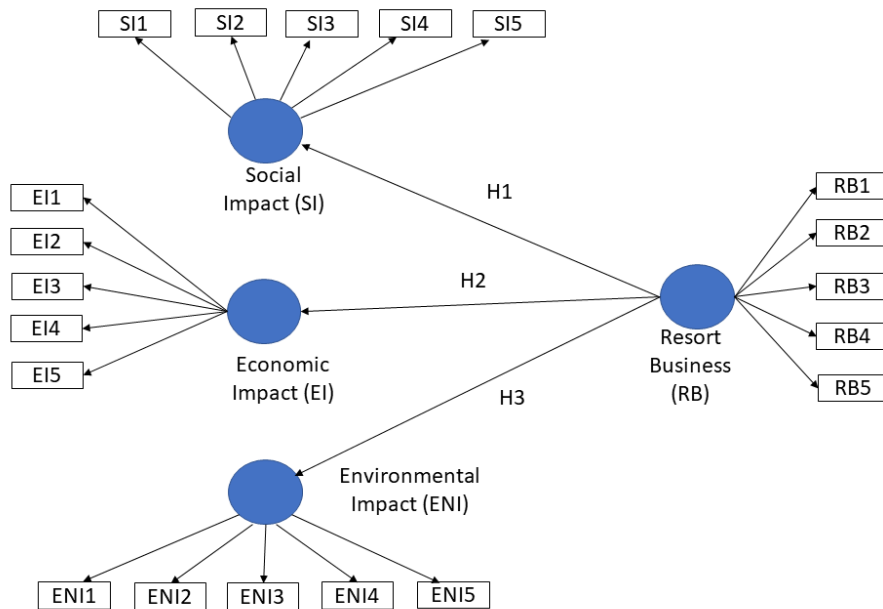


Figure 1: Conceptual Framework for analyzing the impact

Here, social impacts consist of indicators: SI1: Quality of life of residents, SI2: preserving local culture and traditions, SI3: promotes social interaction, SI4: contributes to community development, SI5: creates the cost of living, SI6: reduces crime and conflicts. Economic impacts consist of indicators: EI1: creating employment opportunity, EI2: supporting local business, EI3: Contributes to regional economic growth, EI4: increasing local market, EI5: increasing additional income sources. Environmental impacts include: ENI1: minimize environmental pollution, EN2: Improves waste management system, ENI3: protects local biodiversity, ENI4: Raising public awareness, ENI5: conserves water and energy. Resort Business (RB) consists of indicators: RB1: resort operating budget and funding, RB2: rules and regulation, RB3: availability of tourism resources, RB4: available infrastructure and superstructure, RB5: safety and security.

3. Methodology

The research employs a quantitative approach to analyze the impact of resort businesses on the local community in Sajek Valley, Bangladesh. The study focuses on examining the economic, social, and environmental effects of tourism growth in the area. Purposive sampling and judgmental sampling methods were used to select a sample of 200 respondents, including residents, resort employees, and tourists. Data were collected through structured questionnaires designed to measure perceptions of the economic, social, and environmental impacts of resort businesses. The survey instrument was divided into sections covering demographic information and assessing the impact using a Likert scale. The quantitative data were analyzed using SPSS 27 for descriptive statistics and basic hypothesis testing, while Smart PLS was employed for structural equation modeling (SEM) to test the relationships between the variables. Three hypotheses were tested to determine the significance of the social, economic, and environmental impacts of the resort business on the local community. Ethical considerations were followed to ensure confidentiality and voluntary participation. This quantitative methodology, supported by the use of Smart PLS and SPSS 27, provides a robust analysis of the resort business's impact, allowing for statistical validation of the findings.

5.2 Study Area

The Chittagong Hill Tracts (CHT) is made up of three distinct hill districts named Rangamati, Khagrachari, and Bandarban, where different ethnic groups are living –among them, Chakma, Marma, Tripura, Bawm, Chak, Khumi, Khayan, Mro, Lushai, Uchai, and Thankhu are prominent (Star, October 6, 2016).

Sajek Valley is only 67km north-east of the headquarters of Khagrachari hill district, which is surrounded by the hills of Mizoram on the east and Tripura on the north, located about 2000 feet above the sea level (Ali, Jun 15, 2021). The river Sajek demarcates the boundary between Bangladesh and India. Sajek Valley comprises Ruilui Para, Hamari Para, and Konglak Para, where Konglak hill is one of the main tourist attractions (Bhuiyan, December 13, 2020) (The last village of Bangladesh is located at Konglak Para). Before the tourism industry flourished, Sajek was neither well known among the general public nor connected to Rangamati and nearby Khagrachari by road infrastructure. The Bangladesh Army took about 10 years to complete road facilities (Bhuiyan, December 13, 2020) to the valley, and people started to visit Sajek as a part of adventure tourism from the year 2014. Before that, local residents of Rangamati need to spend two days (by foot and with the help of a boat) to reach Ruilui Para (Ali, Jun 15, 2021), where most of the resorts are now located. Tourists visit there to enjoy the experience of touching clouds, the hills and the scenic beauty of Sajek.

Although different ethnic groups are staying at Sajek, the Tripura and Lusai communities' people are mainly in leading positions. They must maintain the chain of command where the first man is called headman in the hierarchy (Saifuddin Ahmed, 2023), then karbari and after that ward member. Each ethnic group has several unique cultures, traditions, and dress, which attract tourists most to visit. Cutting across ethnic boundaries, the tourism business in Sajek is now beneficial for locals, either

engaging them directly with tourism activities or sharing socio-economic benefits which are probably unique in Bangladesh’s perspective.

Before the establishment of the tourism industry, only BGB (Border Guard Bangladesh) members were there to protect the land. But now there are more than 83 resorts (according to the reports of COAS in 2020 (Saifuddin Ahmed, 2023)), people across the country particularly from Dhaka, Chittagong, Khagrachari, Rangamati are sharing their interest to invest in resort business and tourism activities promotion in Sajek valley. People who love adventure tourism visit Sajek at least once a year. One young entrepreneur M Faisal Mahmud who opened a restaurant and a resort in Sajek 8 years ago with the partnership of local ethnic people shared his view that young entrepreneurs with limited money can also be the part of tourism resort business here with the help of locals (Ali, Jun 15, 2021).

Apart from visiting Sajek, tourists can also enjoy other attractions of khagrachari like richang waterfall, Alutila cave, Mahalchari Lake, Debota Pukur and Toiduchara. Alongside well decorated accommodation facilities, there are over 150 restaurants, tea stalls, grocery shops, souvenir shops and handicraft stalls (Bhuiyan, December 13, 2020) which are creating a good local market for selling their product at satisfactory price. Most popular resorts in Ruilui para are Sajek Resort, SUMUI resort, Sajek Hill View Resort, Abakash Eco-cottage, Resort Rung Rang, Maghadree Eco Resort, Lushai Cottage and Rock Paradise Resort (Bhuiyan, December 13, 2020).

4. Result and Analysis

The demographic characteristics in Table 1 present data on 200 respondents, detailing their gender, age, marital status, education level, annual travel expenditure, residence, and daily Facebook usage. Of the respondents, 52.8% are male and 47.2% are female. The age group with the highest representation is 17-20 years (27.2.1%), followed by 21-23 years (36.1%), 24-26 years (12.8%), and 26-32 years (23.9%). Most respondents are unmarried (78.9%), with only 21.1% being married. Regarding education, 40.6% have completed HSC, 32.8% are undergraduates, 13.3% are graduates, and 13.3% hold postgraduate degrees.

Table 1: Demographic Characteristics (N=200)

Characteristics		N	Percentage
Gender	Male	106	52.8
	Female	94	47.2
Age	12-20	54	27.2
	21-23	72	36.1
	24-26	26	12.8
	Above 27	48	23.9
Marital status	Married	42	21.1
	Unmarried	158	78.9
Education level	HSC	80	40.6
	Undergraduate	66	32.8
	Graduate	27	13.3
	Postgraduate	27	13.3

Characteristics		N	Percentage
Annual Travel cost (In BDT)	2,000-5,000	77	38.1
	5,000-10,000	49	24.7
	10,000-15,000	49	24.7
	Above 15,000	25	12.5
Daily Facebooking Time	1-2h	39	19.4
	2-3h	60	30.0
	More than 3h	29	14.4

In terms of annual tours and travel costs, 38.1% of respondents spend BDT 2,000-5,000, while 24.7% spend BDT 5,000-10,000, 24.7% spend BDT 10,000-15,000, and 12.5% spend over BDT 15,000. When it comes to Facebook usage, 19.4% spend 1-2 hours daily on the platform, 30% spend 2-3 hours, and 14.4% spend 3-4 hours. This data provides a comprehensive overview of the respondents' demographic profile.

The measurement model in Figure 2 illustrates the relationships between three latent variables Social Impact (SI), Economic Impact (EI), and Environmental Impact (ENI) and their corresponding observed indicators. Each latent variable is reflected by multiple indicators with factor loadings, which represent the strength of each indicator's contribution to the latent variable. The highest factor loading in this paper was 0.924 and the lowest was 0.546. Some standards recommended by Comrey and Lee (1992) are factor loadings more than 0.70 are considered excellent, 0.63 are very good, 0.55 are good, 0.45 are fair, and 0.32 are poor. In this study, 0.55 or above are taken as the standard value for conducting further analysis, and the rest of the values were removed. The relationships between these observed variables and their latent constructs form the foundation of this measurement model, showing how well the indicators represent the underlying latent factors.

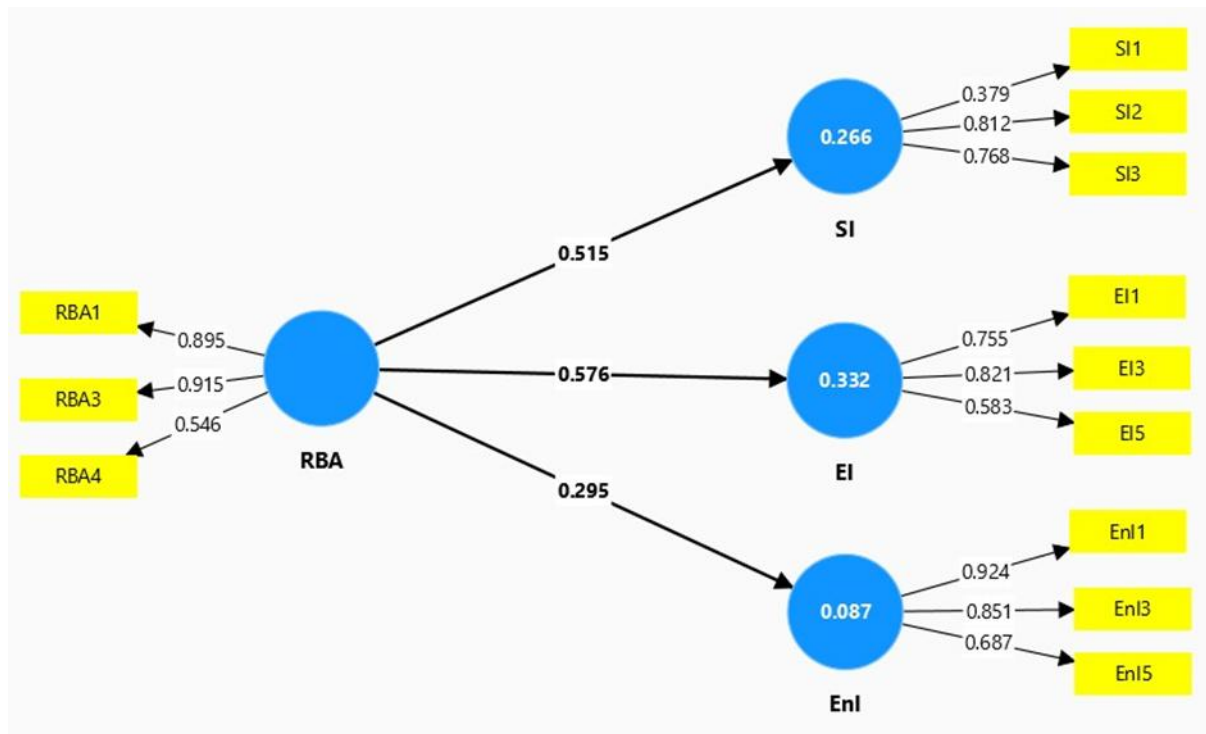


Figure 2: Measurement Model

The table provides reliability statistics for four latent variables: Economic Impact, Environmental Impact, Resort Business, and Social Impact, focusing on Composite Reliability and Average Variance Extracted (AVE). All variables have acceptable Composite Reliability values.

Table 2: Reliability Statistics and Factor Loading

Variables	Items	Loadings	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Resort Business Activities (RBA)	RBA 1	0.895	0.725	0.845	0.839	0.645
	RBA 3	0.915				
	RBA 4	0.546				
Economic Impacts (EI)	EI 1	0.755	0.783	0.719	0.767	0.528
	EI 3	0.821				
	EI 5	0.583				

Environmental Impacts (EnI)	EnI 1	0.924	0.794	0.942	0.865	0.683
	EnI 3	0.851				
	EnI 5	0.687				
Social Impacts (SI)	SI 1	0.599	0.712	0.712	0.705	0.563
	SI 2	0.812				
	SI 3	0.768				

Table 2 shows that most indicators factor loadings within the acceptable range for exploratory research (>0.60). Here, the Value of AVE of all indicators is acceptable. Table 3 and Figure 3 present the results of hypothesis testing for three paths.

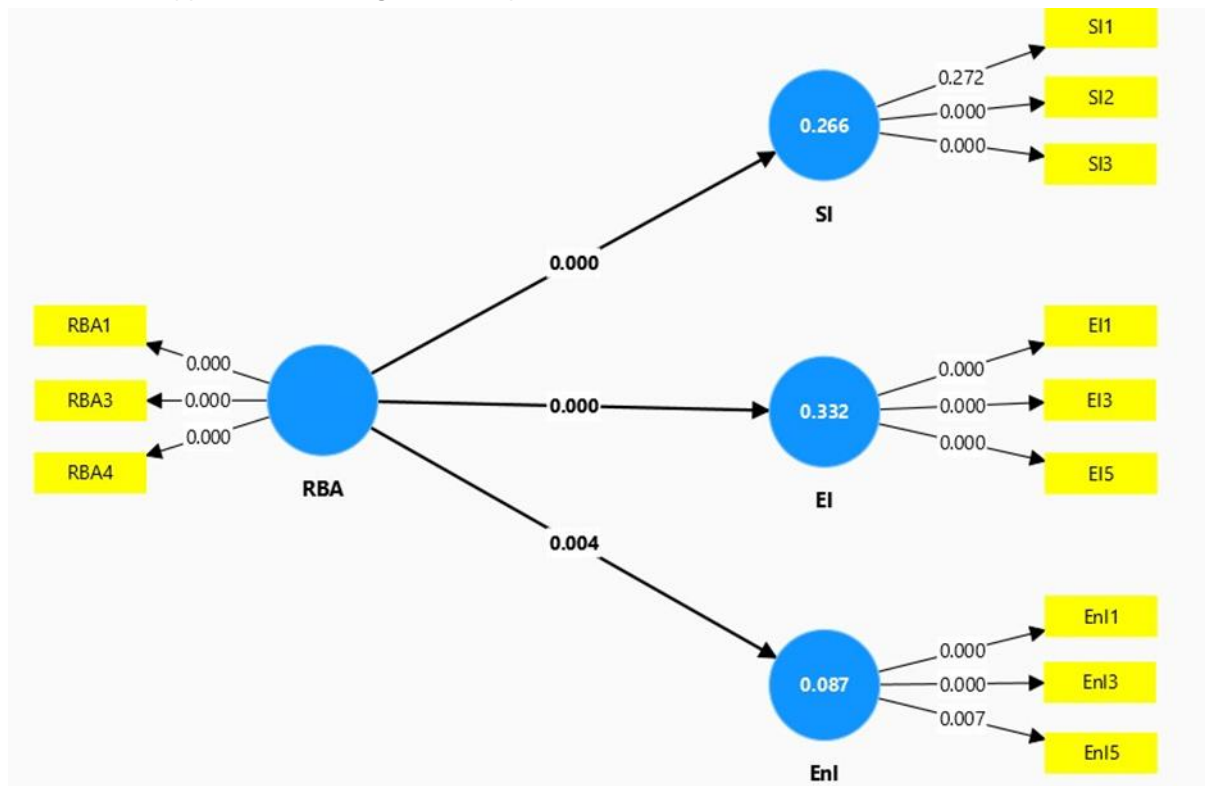


Figure 3: Structural Model

The positive and significant path coefficients seen in this paper underscore the robustness of the structural model that has been proposed. Specifically, the relationship between Resort Business Activities (RBA) and Social Impact (SI) demonstrate a high path coefficient ($\beta=0.540$), indicating that resort businesses significantly improve the social well-being of the local community. Similarly, the impact of RBA on Economic Impact (EI) ($\beta=0.580$) highlights the contribution of resort businesses to local economic growth and job creation. Additionally, the relationship between RBA

and Environmental Impact (EnI) ($\beta=0.319$) shows that resorts can affect local environmental conditions, both positively through conservation efforts and negatively through resource strain. These findings collectively suggest that resort businesses have the potential to create significant social, economic, and environmental benefits for local communities. The strength and significance of these relationships across all tested hypotheses offer valuable insights for policymakers, service providers, and practitioners aiming to balance development and sustainability goals. By focusing on responsible business practices and community engagement, stakeholders in the resort industry can foster sustainable development outcomes that enhance both local well-being and environmental stewardship.

Table 3: Hypothesis Testing

Hypothesis	Path	Path coefficient	T statistics	P values
H1 (supported)	RBA -> EI	0.580	6.336	0.000
H2 (supported)	RBA -> EnI	0.319	2.885	0.004
H3 (supported)	RBA -> SI	0.540	8.764	0.000

Despite this, the findings suggest that all the tested paths have statistically significant effects on the outcome. Here, H1 (RBA → EI): Supported (t-6.336, P-0.000), H2 (RBA → EnI): Supported (t-2.885, p-0.004) and H3 (RBA → SI), supportive (t-8.764, p-0.000).

Table 4: HTMT

Constructs	EI	EnI	SI	RBA
Economic Impact (EI)	-			
Environmental Impact (EnI)	0.71	-		
Social Impact (SI)	0.68	0.74	-	
Resort Business (RBA)	0.79	0.82	0.76	-

According to the suggestion of Henseler et al. (2015), If HTMT values remain below 0.85, it indicates adequate discriminant validity. If it exceeds 0.85 or 0.90, the discriminant's validity would be questioned. Here, the study results show that all HTMT values are below 0.85.

Table 5: Coefficient of Determination (R² value)

Endogenous Construct	Path	β	$R^2 \approx \beta^2$	Interpretation
Economic Impact (EI)	RBA → EI	0.580	0.336	Moderate substantial
Environmental Impact (EnI)	RBA → EnI	0.319	0.102	Weak moderate

Social Impact (SI)	RBA → SI	0.540	0.292	Moderate
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The R² value for resort business indicates a moderate level of explanatory power. From the study, it found that the economic and environmental impacts meaningfully explain variation in resort business performance. The non-significant effect of social impact contributes less to the variance.

Table 6: Standardized Root Mean Square Residual (SRMR)

Fit Index	Value	Threshold	Interpretation
SRMR	0.068	0.08	Acceptable Model Fit

SRMR value helps to assess whether the model is fit or not. If value remains less than 0.08, it means the model is fit for PLS-SEM. From the study, it can be found that value remains less than 0.08; the conceptual model is accepted (as all predicted correlations are between the acceptable range).

5. Conclusion

This research elucidates the complex interplay between resort businesses and local communities in Sajek Valley, Bangladesh, underscoring both the potential benefits and challenges associated with tourism development. The findings indicate that resort enterprises play a pivotal role in driving economic growth by creating employment opportunities, generating income, and facilitating infrastructural improvements. This economic infusion contributes positively to community development and enhances the overall quality of life for residents. However, the study also reveals significant concerns regarding environmental sustainability and the preservation of cultural heritage. While the acceptance of all three hypotheses (H1, H2, H3) suggests a generally favorable impact of resort businesses, the variations in T-test values and p-values indicate differing levels of significance among the relationships assessed. Notably, the weaker significance associated with H3 implies that social impacts may require further scrutiny, particularly in the context of community cohesion and cultural integrity. To address these challenges, it is imperative for stakeholders—including policymakers, resort operators, and community leaders—to adopt a collaborative and holistic approach to tourism development. Emphasizing sustainable practices that prioritize environmental stewardship and cultural preservation will be essential in mitigating adverse effects. Furthermore, fostering community engagement and promoting responsible tourism initiatives can help ensure that the benefits of resort development are equitably distributed and that local voices are integral to the decision-making processes. While resort businesses in Sajek Valley present substantial opportunities for economic enhancement, a concerted effort is necessary to navigate the complexities of tourism impacts. By prioritizing sustainability and community well-being, stakeholders can create a tourism framework that not only drives economic prosperity but also safeguards the unique ecological and cultural assets of Sajek Valley for future generations.

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Conflict of Interest

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