



SOURCE:
 "Welcome to Georgia". Discover The New Old Country Tbilisi2009
 Courtesy of the National Tourism Organisation of the Hellenic Republic

8th Silk Road International Conference

24-26 May, 2013, Tbilisi-Batumi, GEORGIA



8th Silk Road International Conference



Development of Tourism in Black and Caspian Seas Regions

24-26 May, 2013, Tbilisi-Batumi, Georgia

Organizers

			
International Black Sea University	Batumi Shota Rustaveli State University	Ivane Javakhishvili Tbilisi State University	Georgian Technical University

CONFERENCE PROCEEDINGS



International Black Sea
University



Batumi Shota Rustaveli
State University



Ivane Javakhishvili
Tbilisi State University



Georgian Technical
University



Conference is organized by
International Black Sea University in
cooperation with
Ivane Javakhishvili
Tbilisi State University,
Georgian Technical University,
and
Shota Rustaveli Batumi
State University

აბრეშუმის გზის მე-8
საერთაშორისო კონფერენცია
“ტურიზმის განვითარება
შავი და კასპიის ზღვების
რეგიონებში”

8th Silk Road International Conference
“Development of Tourism
in
Black and Caspian Seas
Regions”

May 24, 2013 – May 26, 2013
Tbilisi - Batumi, GEORGIA

COMMITTEES

8th Silk Road International Conference “Development of Tourism in Black and Caspian Seas Regions”
May 24-26, 2013 Tbilisi-Batumi, GEORGIA

Organizing Board

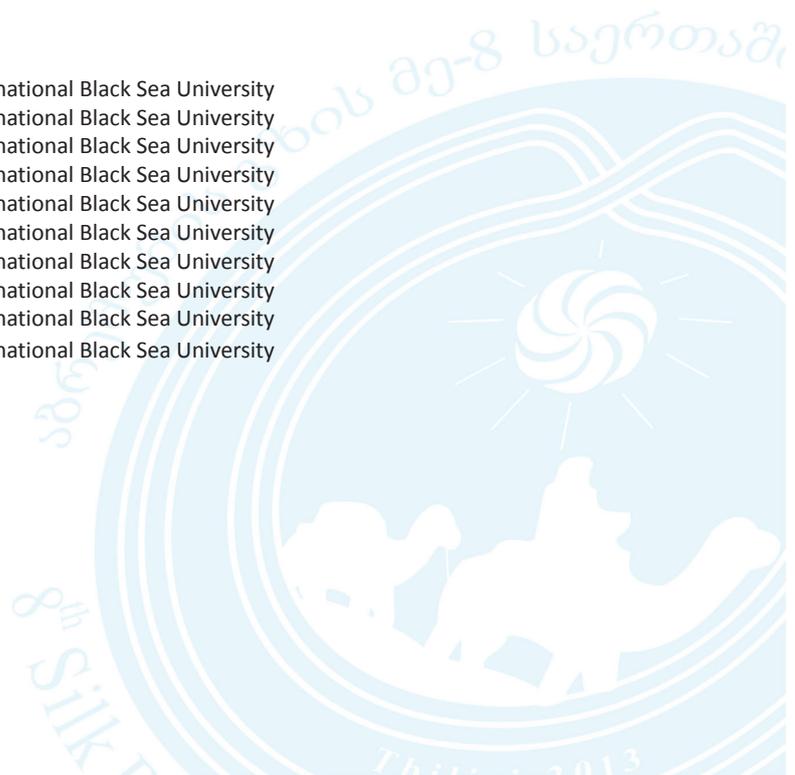
Prof. Dr. Giuli ALASANIA	International Black Sea University
Prof. Dr. Ş. Ercan TUNÇ	International Black Sea University
Resul DİKMEN, PhD	International Black Sea University
Assoc. Prof. Dr. İlyas ÇİLOĞLU	International Black Sea University
Assoc. Prof. Dr. Metin MERCAN	International Black Sea University
Salavat SAYFULLIN, MA	International Black Sea University
Prof. Dr. Otar ZUMBURIDZE	Georgian Technical University
Giorgi GHVEDASHVILI	Tbilisi State University

Scientific Board

Prof. Dr. Giuli ALASANIA	International Black Sea University
Prof. Dr. Natela DOGHONADZE	International Black Sea University
Prof. Dr. Ketevan LAPACHI	International Black Sea University
Prof. Dr. Tatiana PAPIASHVILI	International Black Sea University
Prof. Dr. Tamara SHIOSHVILI	International Black Sea University
Assoc. Prof. Dr. İlyas ÇİLOĞLU	International Black Sea University
Assoc. Prof. Dr. Giorgi BAGHATURIA	International Black Sea University
Assoc. Prof. Dr. Kakhaber DJAKELI	International Black Sea University
Assoc. Prof. Dr. Cabir ERGÜVEN	International Black Sea University
Assoc. Prof. Dr. İlyas ÜSTÜNYER	International Black Sea University
Assoc. Prof. Dr. Faruk GÜRSOY	International Black Sea University
Assoc. Prof. Dr. Metin MERCAN	International Black Sea University
Prof. Dr. Otar ZUMBURIDZE	Georgian Technical University
Giorgi GHVEDASHVILI	Tbilisi State University

Technical and Support Board

Caner DİNÇER	International Black Sea University
İslam MASACI	International Black Sea University
Hasan KAYMAN	International Black Sea University
Hakan ERGÜN	International Black Sea University
Giorgi GIGINEISHVILI	International Black Sea University
Eteri KOBAINANOVA	International Black Sea University
Giorgi KAZAKHASHVILI	International Black Sea University
Temur MAISURADZE	International Black Sea University
Zviad PIPIA	International Black Sea University
Iasha MURVANIDZE	International Black Sea University





CONTENTS

8th Silk Road International Conference “Development of Tourism in Black and Caspian Seas Regions”

May 24-26, 2013 Tbilisi-Batumi, GEORGIA

Contents	iii-iv
Welcoming Speech	
Giuli ALASANIA	v-vi
CHAPTER 1	
Economical Tourism, Investments, Infrastructure	1
How to Increase Tourism in the Republic of Georgia?.....	3-6
<i>Kamal FATEHI, Murat DORAL</i>	
Sustainable Tourism	7-10
<i>Elchin AKBAROV</i>	
The Effectiveness of Governmental Incentives in the Turkish Tourism Sector and the Relationship between Incentives and Tourism Revenue	11-16
<i>Ferhat Baskan ÖZGEN</i>	
Perspectives of the Tourism development in Georgia.....	17-20
<i>Nika CHITADZE</i>	
Forecasting the Effect of Tourism on Foreign Exchange Reserves in the Caucasus Region	21-26
<i>Edward R. RAUPP, Danna V. RAUPP</i>	
The Role of Tourism in the Development of Regions	27-30
<i>Rufat MAMMADOV</i>	
Town Tourism at the Black Sea Coast	31-34
<i>Marine PRIKHODKO</i>	
The Development Perspectives of Regional Tourism in Azerbaijan Georgia and Turkey	35-36
<i>Rasim ABUTALIBOV</i>	
Significance of Social Media Marketing in Tourism	37-40
<i>Charita I. JASHI</i>	
Agro-tourism Infrastructure development and personnel training project in Kakheti- Alvani-Mtatusheti region.....	41-42
<i>Teimuraz BERDZENISHVILI, A. ABESADZE, M. ARABIDZE, P. COTOIDZE</i>	
Using the visitor expenditure surveys to assess the impact of tourism on the economy: possibilities and limitations	43-48
<i>Teresa SKALSKA</i>	
The Development of Ecotourism in the World: Azerbaijan Case.....	49-52
<i>Hazi EYNALOV, Rufat MAMMADOV</i>	
Risk as a Motivation in Adventure Tourism and its Use in Terms of Tourism Marketing	53-57
<i>Özgür SARIBAŞ, Zafer ÖTER</i>	
Tourist SMEs contribution to employment: The case of Georgia	58-63
<i>Tatiana PAPIASHVILI, İlyas ÇİLOĞLU</i>	

Forecasting Number of Georgian Visitors to Turkey with Different Method.....	65-67
<i>Ahmet SEKRETER, Okan ERAY</i>	

CHAPTER 2

Cultural Tourism	69
Folk Museums as the Expression of National Identity Folk Museums as the Expression of National Identity.....	71-73
<i>Sevdagul ALIYEVA</i>	
Religious Tourism in Christianity and Islam	75-80
<i>Kristina LAZARIDI</i>	
Tourism as a Catalyst of Globalization in the Sphere of Using Cultural Heritage	81-83
<i>Nana AKHALAIA</i>	
Real and/or virtual tours to mount Ialbuzi/Elbrus/Passa	85-88
<i>Natela POPKHADZE</i>	
Ethics in International Marketing	89-95
<i>Aygul ISAYEVA</i>	
Global Peace and Tourism	97-100
<i>Ismail OZSOY, Faruk GURSOY, Ahmet SEKRETER</i>	
Sachkhere-Chiatura Karts Caves and Katskhi Pillar Tourist Route’s Popularization Issues.....	101-102
<i>Alexander ABESADZE, Teimuraz BERDZENISHVILI, A. GRIGALASHVILI</i>	
Gender Dimensions of Tourism	103-106
<i>Kifayat AGHAYEVA, Terane Nasimi GULUZADE</i>	

CHAPTER 3

Medical Tourism, Educational Tourism, Security	107
Medical Tourism Potential in Turkey: The Case of Izmir City	109-115
<i>Zafer ÖTER, Ali KÖSTEPEN</i>	
For the Matter Concerning Educational Tourism in the Caucasus.....	117-121
<i>Tamar TAMARASHVILI</i>	
Tourism Security and Providing of Defense of Insuring.....	123-125
<i>David Vaja TCHIOTASHVILI</i>	
Action Plan for Tourism Development in Imereti Region	127-132
<i>Lali GIGAURI, Eka DEVIDZE</i>	
Churches and Monasteries as Prerequisites for Religious Tourism Development in Imereti Region	133-135
<i>Maka BUGHULASHVILI, Eka DEVIDZE</i>	
Challenges of Educational Tourism in Georgia	137-141
<i>Tinatin KUBLASHVILI</i>	
Specifics of Strategic Management in PR Practice.....	143-146
<i>Nikoloz MAKHARASHVILI</i>	

Welcoming Speech

Giuli ALASANIA

Vice-Rector of International Black Sea University, Professor of Ivane Javakishvili State University

Head of Organizing Committee of the 8th Silk Road International Conference “Development of Tourism in Black and Caspian Seas Regions”

Tourism and its challenges in today's Georgia

People have travelled since ancient times for various reasons and with different goals. However, a long time passed before travelling became tourism, a global phenomenon, today recognized worldwide by both developed and developing nations as the largest industry on earth. Tourism as a multifarious activity evolved during the second half of the 20th century, gradually embracing public, private and non-profit sectors. Unfortunately since Georgia was part of a closed space and was left beyond the process, the country missed out on the beginning of the golden age of tourism.

Since 2004 the Georgian State considers tourism as one of the major economic sectors, which has impact on all spheres of life. In 2004 Georgia started rapidly setting up reforms in different spheres, and tourism, as one of the most efficient tools for the development of the economy, draws the attention of both the private and public sectors.

Tourism as a multi-disciplinary subject involves geography, history, psychology, economics, business, environmental and cultural heritage studies, etc. Development of tourism depends on the growth of leisure-time, income, and improving technology and communications tools, which promise to be much better in the 21st century. Because many different stakeholders benefit from the development of tourism, it also becomes a stimulant in and of itself for the various sectors of the economy: policy, finance, culture, education, medicine, construction, environment, security, communications, service, etc.

Georgia has very good conditions for the development of recreational, cultural, religious, historical, ethnic, and environmental tourism thanks to its location, geography, diverse landscape, climate, history, culture, and security. Several activities await the visitor such as camping, hiking, hunting, bird watching, swimming, fishing, skiing, and mountain climbing, among others, not to mention world-class museums, theater, and various sporting events.

Despite the great tradition of hospitality in Georgia, which is very important (as Homer wrote in “The Odyssey”: “A guest never forgets the host who had treated him kindly), in the early 21st century there were a number of obstacles for the development of tourism in Georgia: lack of related knowledge and understanding, poor infrastructure, bad roads, non-existence of security.

We can talk about essential achievements in Georgia in terms of the improving tourism infrastructure: building of airports, railways, roads, hotels, recreational spas, swimming pools, water parks, aquariums, national parks, etc.; reconstruction of historic monuments and of the cities on a large scale and laying plans for the creation new cities; improvement of health care through reforms and building new hospitals, linking tourism to other sectors. The development of tourism in Georgia was stimulated by providing a high degree of security and the easing of visa restrictions which opened the country to all visitors. Unfortunately this step remains mostly unilateral and Georgian citizens still have problems with getting visas to go abroad. Economic, social and cultural consequences are analyzed, and the benefits for local communities and national governments (increasing income, job creation, setting up new businesses, economic diversification), are mentioned along with the disadvantages and costs. I do not share the perception that tourism is neocolonialism, or a culture

obliterator, promoting alienation and xenophobia. Unlike this view, I consider tourism across borders as something contributing to dialogue, to the establishment of better relations even between neighbors who are in conflict, and helping to improve ties among neighboring economies. I fully agree with John Paul II, who said: “Tourism has become a real force for world peace”.

Since there weren't any special programs on tourism in Georgia, the hotels, restaurants, and museums organized required training courses on their own. Currently several universities and institutions offer tourism management and relevant courses: International Tourism Learning Center under the Georgian National Tourism Administration (ITLC), Ivane Javakishvili Tbilisi State University, Ilia State University, Tourism Academy of Tbilisi, Caucasus University, International Black Sea University, University of Georgia. The number of related universities keeps growing. The International Tourism Learning Center was formed by the Georgian National Tourism Administration in March of 2012. It offers certified courses in different fields of study, based on well-known and certified programs of the American Hotel and Lodging Educational Institute (AHLEI). The training center offers study programs with international standards; qualifies students in the field of tourism industry; provides internship opportunities for training alumni both in Georgia and abroad.



Chapter 1

ECONOMICAL TOURISM, INVESTMENTS, INFRASTRUCTURE

Tbilisi - Batumi, GEORGIA
May 24, 2013 – May 26, 2013



How to Increase Tourism in th Republic of Georgia?

Kamal FATEHI

PhD

*Professor of Management
Coles College of Business
Kennesaw State University
1000 Chastain Road
Kennesaw, GA 30144-5591
Phone: 770.423.6785
Fax: 770.423.6606
kfatehi@kennesaw.edu*

Murat Doral

*MBA, MA, Lecturer of Economics
Coles College of Business
Kennesaw State University
1000 Chastain Road
Kennesaw, GA 30144-5591
Phone: 770.423.6785
Fax: 770.423.6606
mdoral@kennesaw.edu*

Abstract

The Georgian economy is based on open trade and capitalistic growth model centered on free flow of goods and services and capital. This free market environment is complemented by a democratic political system which renders the status of Georgia as a modern «marketdemocracy» in the global economic and political order. Georgia is one of a handful of countries which was able to transition successfully from a centrally planned economy into a market based system and from one party communism into a multi-party democracy through the well-known «rose revolution». Georgia, like other emerging economies, has the long-term goal of raising the standards of living of its citizens as rapidly as possible and in a sustainable fashion. Especially given the size of its economy, this can be achieved if Georgia focuses on its core competencies and can carve a niche for itself through specialization in tourism. This paper presentation suggests that there are ways that Georgia could further expand its already vibrant tourism industry by deploying specialized private and public sector resources. In so doing and in addition to tourism, Georgia can jump start a number of related industries which would benefit from such endeavor. If successful, this strategy has the potential of delivering higher long-term growth and lowering the natural rate of unemployment while increasing incomes for the citizens of Georgia.

Introduction

The Georgian economy is based on open trade and capitalistic growth model centered on free flow of goods and services and capital. This free market environment is complemented by a democratic political system which renders the status of Georgia as a modern “market-democracy” in the global economic and political order. Georgia is one of a handful of countries which was able to transition successfully from a centrally planned economy into a market based system and from one party communism into a multi-party democracy through the well-known “rose revolution.” Georgia, like other emerging economies, has the long-term goal of raising the standards of living of its citizens as rapidly as possible and in a sustainable fashion. Especially given the size of its economy, this can be achieved if Georgia focuses on its core competencies and can carve a niche for itself through specialization in tourism. This paper presentation suggests that there are ways that Georgia could further expand its already vibrant tourism industry by deploying specialized private and public sector resources. In so doing and in addition to tourism, Georgia can jump start a number of related industries which would benefit from such endeavor. If successful, this strategy has the potential of delivering higher long-term growth and lowering the natural rate of unemployment while increasing incomes for

the citizens of Georgia.

A Look at Georgia’s Economy

According to the United Nations World Tourism Organization (UNWTO), Georgia’s GDP in 2011 was US\$ 24.5 billion, and given its population of 4.48 million, its per capita GDP was US\$ 5,465 (See Table 1). For many economic strategists and policy-makers around the world, the challenge is to deliver sustainable and high rates of economic growth in an increasingly competitive global market place. For an emerging market like Georgia, this issue becomes even more curious because moving the Georgian economy toward its “secular-potential growth trend” while benefiting from the “catch-up effect” requires smart design in policy making, through which attracting capital from domestic and especially foreign private sources as well as mobilizing limited public sector resources must be the primary goal.

Modern macroeconomic growth theory defines a country’s potential growth rate as the sum of the growth rates of its labor force and labor productivity. For Georgia, 0-1% labor force growth and 5-6% productivity growth will deliver a potential GDP growth of 5-7% without accelerating inflation and will double Georgia’s GDP in 10 to 14 years. According to the World Bank data, Georgia’s record of

6.67% GDP growth on average between 2003 and 2011 has been consistent with this proposition (World Bank Group Data Bank, 2013).

Given this backdrop and with the exception of hydropower, Georgia lacks significant strategic and natural resources and can use its tourism potential as the “tail wind” in riding on its “potential GDP growth” path. However, this is easier said than done because this strategy requires labor and capital markets flexibilities and a lot of fine tuning in terms policy. The current World Economic Forum Global Competitiveness Index ranks Georgia as the 77th most competitive economy (out 144 countries), 11 places up from 2001-12 rankings, but lacks in terms of “efficiency enhancers” (i.e. higher education and training, goods market efficiency, labor market efficiency etc.) and “innovation and sophistication” (i.e. Business sophistication, and innovative practices etc.) (WEF Global Competitiveness Index, 2012-13). With this assessment in hand, one of the challenges for Georgia is the ageing of its population and declining population in recent years. This will be an impediment against the government’s attempt to expand the economy by focusing on the tourism industry since tourism is a service and labor-intensive. Given this quantity constraint, the government of Georgia has to allocate resources to education to improve the quality of its labor force.

All in all, Georgia can do better by reducing the size of the government sector in its economy, creating an even friendlier market environment which would be conducive for higher investment activity in tourism as well as related sectors. In addition, Georgia has a large merchandise trade deficit which needs to be financed through net capital inflows (See Table 2). However, net capital inflows can be in the form short-term foreign portfolio investments (I.e. “hot money”) or long-term foreign direct investments (i.e. manufacturing or services). For an economy like Georgia, which lacks tradable cash crops or strategic cash commodities and which has to deal with persistent and large trade deficits, it is crucial to attract net capital inflows, specifically long-term foreign direct investments. Through government incentives (i.e. lower marginal tax rates, free repatriation of profits, and other incentives), these long-term capital inflows can be channeled into investment projects in the tourism industry.

This policy mix can be augmented by well-defined private property rights which would bring greater economic stability to Georgia, would free-up resources and raise the standards of living quicker. In so doing, the government of Georgia can focus most of its attention to the building of the physical and human capital and infrastructure, and other efficiency enhancing and innovation promoting areas.

Georgia’s Tourism Industry

In the Caucasus region, Georgia is a well-known tourism destination and attracts a large number of tourists from many countries. Tourism industry is important for

Georgia because it makes up 6.5% of its GDP. Given the high rate of unemployment and an ageing of the population, tourism is and can be an important employment generator. According to the data compiled by the Georgia National Tourism Administration, the number of international travellers that visited Georgia reached 4.4 million in 2012, which represents a significant increase of 55.8% over 2011 (The Georgian National Tourism Administration Statistics Portal, 2012). This is a much faster growth than the rest of the global tourism industry which grew by only 4.6% in term of the number of tourists for the same period (UNWTO, 2012). In addition, according to UNWTO, in 2011 tourism receipts reached US\$ 1,030 billion globally, up from US\$ 928 billion in 2010, and thus the global average per capita tourism spending was about US\$ 1,100 (UNWTO, 2012). This is more than three times larger than what Georgia generates on average from each tourist. In 2012, 4.4 million tourists visited Georgia and spent US\$ 1.4 billion. On the bright side, Georgia’s tourism receipts grew by 42.33% in 2010-11 and by 50.37% in 2012-11, a remarkable growth compare to the rest of the global tourism industry (The Georgian National Tourism Administration Statistics Portal, 2012).

Another interesting aspect of Georgia’s tourism industry is that most of the tourists visiting Georgia come from four neighboring countries such as Turkey, Azerbaijan, Russia, and Armenia (See Table 3). In 2012, 3.8 million tourists (out of a total of 4.4 million tourists) or 88% of all tourists that visited Georgia in 2012 came from these countries. Clearly, some diversification may be helpful and is probably necessary in order to reduce dependency and revenue fluctuations. This would require a concerted effort on the part of the government promoting Georgia as a destination spot in the EU, Middle East, and possibly East Asia and North America.

Increasing the average tourism spending per capita and diversification of Georgia’s tourism markets necessitates policy coordination and the choice of the right policy mix. For example, Georgia can mobilize its private and public resources to raise the efficiency and value-added of its tourism industry by emphasizing service-quality and offering alternatives. To achieve this, the synergistic forces of health, hospitality, leisure, and as well as education can be tapped and through up- and cross-selling Georgia’s tourism revenues can be increased. Synergy occurs when a combination of two forces is stronger than the independent values of both forces put together. For example, today’s medicine relies on a cocktail of various medicines to treat ulcer, or fight against AIDS disease, or in today’s modern business environment complimentary abilities of various divisions or departments are and can be used in dealing with issues to achieve higher profitability. In the case of tourism in Georgia, a number of programs could be combined. The impetus for expanding tourism in Georgia can begin with public sector investments in major infrastructure projects such as building and expanding airports and air travel, highways, fiber optic network as well as educating its labor force to facilitate economic expansion. Modern physical

infrastructure is very critical for the tourism industry, as is for all other industries. Especially, given the fact that most of foreign travellers come to Georgia by land (88%) but only a much smaller fraction by air (10%), building of modern airports and improving the existing airports must be driven by government policies and funding (See Table 4). Of course, just building infrastructure will not be enough. Georgia will also need a well-educated labor force that would be able to run it efficiently and effectively. Thus, the government of Georgia has to allocate enough resources to education, especially in the tourism sector. This would allow Georgia to diversify its tourism markets by making itself easily accessible by air and provide quality service through its educated labor force. Furthermore, the government’s direct involvement in major public projects would not only allocate the necessary resources into these areas but would also create a favorable investment environment from which other industries could benefit.

On the other hand, specialized private capital can be applied to the construction of hotels and amusement parks. In addition, the synergy of public and private resources could be used in establishing Georgia as a medical tourism destination. Medical tourism is the newest way of combining health and medical industry with hospitality and amusement businesses to build a foundation from which a number of related business and services could spring up. This requires a greater sophistication and know-how which can be imported and attracted by providing incentives to private capital, domestic as well as global. Given their global exposure and inter-connectivity with the rest of the global economy, Turkey, Azerbaijan, and Russia which send a lot of tourists to Georgia can also export capital and technical know-how.

Conclusion

In expanding its tourism industry, Georgia can rely on its already existing natural assets. Its favorable location at the shores of the Black Sea, moderate climate, friendly and hospitable people, and market based economic system coupled with its burgeoning democracy makes Georgia attractive not only as a tourist destination but also as a destination for global capital.

Through the mobilization of synergistic forces, it is quite feasible for Georgia to diversify its tourism base and markets and raise its revenues by;

1. Targeting niche markets
2. Market segmentation and product differentiation
3. Up-selling and cross-selling
4. Developing alternatives by exploiting untapped areas such as medical tourism, golf tourism, culinary and wine tourism etc.

References:

- Republic of Georgia Tourism Administration Statistics Portal, <http://gnta.ge/stats/portal/>
- United Nations World Tourism Organization (UNWTO), <http://media.unwto.org/en/press-release/2012-05-07/international-tourism-receipts-surpass-us-1-trillion-2011>
- World Bank Group Data Bank, 2013 <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>
- World Economic Forum (WEF), Global Competitiveness Index, 2012-13 http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2012-13.pdf

Appendix: Tables

Table 1

2011	GDP (million \$)	Population (million)	GDP/Capita
Armenia	\$17,948.45	3 100	\$5,789.38
Azerbaijan	\$92,295.06	9 168	\$10,067.09
Georgia	\$24,516.35	4 486	\$5,465.08
Iran	\$841,673.28	74 799	\$11,252.53
Russian Federation	\$3,015,434.12	141 930	\$21,245.92
Turkey	\$1,259,982.33	73 640	\$17,110.12

Source: UNWTO - <http://media.unwto.org/en/press-release/2012-05-07/international-tourism-receipts-surpass-us-1-trillion-2011>

Table 2

2011	Net Exports (NX)	NX/GDP	$((X+M)/2)/GDP$
Armenia	(\$3,121.96)	-17.39%	20.59%
Azerbaijan	\$21,320.60	23.10%	28.67%
Georgia	(\$4,153.76)	-16.94%	25.22%
Iran	\$58,583.38	6.96%	13.05%
Russian Federation	\$163,645.42	5.43%	16.36%
Turkey	(\$86,889.81)	-6.90%	17.21%

Source: UNWTO - <http://media.unwto.org/en/press-release/2012-05-07/international-tourism-receipts-surpass-us-1-trillion-2011>

Table 3

Country	2005	2006	2007	2008	2009	2010	2011	2012
Total	559,753	763,231	1,051,749	1,290,108	1,500,049	2,031,717	2,822,363	4,389,256
Turkey	109,796	146,696	248,028	351,410	384,482	535,593	738,085	1,530,616
Azerbaijan	153,467	198,062	281,629	344,936	418,992	497,969	714,418	929,244
Russia	90,176	88,538	91,361	114,459	127,937	170,584	278,458	508,513
Armenia	100,508	180,550	243,133	281,463	351,049	547,510	699,382	899,476
Sum of Top 4	453,947	613,846	864,151	1,092,268	1,282,460	1,751,656	2,430,343	3,867,849

Source: Republic of Georgia Tourism Administration - Retrieved on 04/14/13 from <http://gnta.ge/stats/portal/>

Table 4

Type	2005	2006	2007	2008	2009	2010	2011	2012
Air	130,556	138,409	160,969	192,145	199,212	245,106	335,846	427,974
Land	421,649	567,088	818,357	1,020,880	1,207,786	1,677,342	2,380,976	3,838,859
Railway	7,548	12,248	31,412	29,113	38,874	53,142	55,277	63,484
Sea	0	45,486	41,011	47,970	54,177	56,127	50,264	58,939
Total	561,758	765,237	1,053,756	1,292,116	1,502,058	2,033,727	2,824,374	4,391,268

Source: Republic of Georgia Tourism Administration - Retrieved on 04/14/13 from <http://gnta.ge/stats/portal/>

Sustainable Tourism

Elchin AKBAROV

*Ministry of Economic Development
Economic Reforms Scientific-Research Institute
elchin_akberov7@yahoo.com
Azerbaijan*

Abstract

In today's recreation and tourism, sustainable tourism must play an important role by making one or several types of tourism sustainable, with a lowest possible impact on environment and ecology. In order to develop sustainability of tourism which forms one of the very impressive spheres of sustainable economy, it is required to measure them firstly and then take appropriate steps for development and prosperity based on this measure, where indicators are used to take such a measure. World experience shows that in many developed recreation areas, resorts, beaches and other tourist facilities the problems such as saturation and excessive use of resources are met frequently. The concept of sustainable development, including the development of tourism is expanded to include all forms of economic activity.

Introduction

Tourism is one of the worlds' largest and at the same time fastest growing industries. Negative effects of this continuous growth on biologically diverse habitats and cultures are inevitable. Here tourists who promote sustainable tourism must be sensitive to these dangers and try to protect tourism destinations.

Sustainable tourism attempts to make lowest possible impact on the environment and local culture. The aim of sustainable tourism is to bring a positive experience for local people, tourism companies and tourists with development. There are multiple studies outlining demand for sustainable tourism. The results shown below have been achieved from several studies:

- According to the results of eco-friendly survey provided by the world's largest travel site - Tripadvisor (www.tripadvisor.com, www.multivu.com/mnr/49260-tripadvisor-eco-friendly-travel-survey-voluntourism-go-green) among 700 US travelers:

- 71 percent said they plan to make more eco-friendly choices in the next 12 months compared to 65 percent that did so in the past 12 months;

- 57 percent of travelers said they «often» make eco-friendly travel decisions, such as their choice of hotel, transportation, or food source;

- 44 percent of travelers said they are more environmentally conscious at home than while traveling;

- 47 percent of travelers said they are equally eco-friendly at home and traveling;

- Travelers top 3 eco-friendly practices:

- * Turned off lights when not in hotel room - 88%

- * Participated in hotel's linen/towel re-use program - 80%

- * Used recycling in the hotel - 57%

- Half of the travelers surveyed would spend more money to stay at an eco-friendly accommodation;

- 23 percent would pay up to \$25 additional per night to stay at such a property, while 9 percent would be willing to spend \$25-\$50 extra

Sustainable vs Responsible Tourism

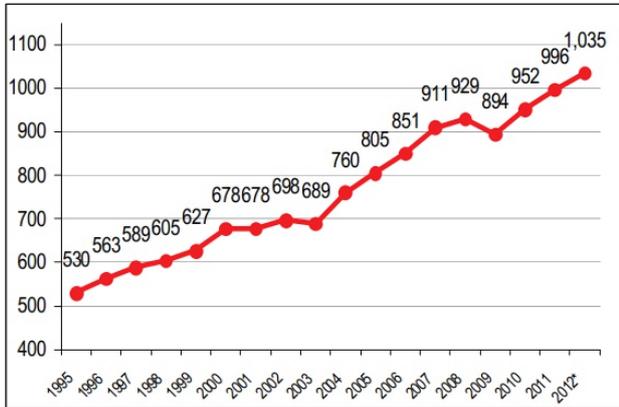
Here we can talk about the responsible tourism in line with sustainable tourism. Both responsible and sustainable tourism have the same goal - sustainable development. The main difference between that two is that in responsible tourism businesses, individual persons, organizations and companies are asked to take responsibility for their actions and possible impacts resulted from their actions. So, local communities, tourists, government, transport operators, industry associations and etc., in other words everyone involved in tourism are responsible for achieving the goals of responsible tourism.

Need for Sustainable Tourism

Continual international tourism growth is forecasted by economists. International tourist arrivals (overnight visitors) grew by 4% in 2012 surpassing a record 1 billion tourist globally for the first time in history.

World: Inbound Tourism

International Tourist Arrivals (million)



Source: World Tourism Organization (UNWTO) ©

One of the Millennium Development Goals for 2015 listed below is related with environmental sustainability:

- Eradicate extreme hunger and poverty;
- Achieve universal primary education;
- Promote gender equality and empower women;
- Reduce child mortality;
- Improve maternal health;
- Combat HIV/AIDS, malaria and other diseases;
- Ensure environmental sustainability;
- Develop a global partnership for development.

These principles which were outlined at the World Economic Forum in 1999 and although they relate to business and government in a broad sense, they also relate specifically to tourism development as tourism can both hinder and potentially help these goals. As tourism is dependent on both natural and human assets for the promotion of the tourism product, the environment, people, disease and establishing and maintaining global partnerships for development are imperative to achieve and maintain a healthy industry. The implications of the MDG's should be considered by all players in the tourism industry.

One more issue to be considered in tourism is the carrying capacity. It is the capacity of tourists or visitors an area can sustainably tolerate without damaging the environment and culture of the surrounding area.

It is worth to mention that more environmentally aware organizations, corporations and government agencies

are now seeking more sustainable event practices, greener hotels, restaurants and convention venues and more energy efficient or climate neutral travel and ground transportation. Additionally, some convention centers have begun to take direct action in reducing the impact of the conventions they host. One example is the Moscone Center in San Francisco, California. It has a very aggressive recycling program, a large solar power system and other various programs aimed at reducing impact and increase efficiency.

Moreover, with the invention of internet, some conferences are continually being replaced with virtual conferences, where the attendees remain in their homes and participate in conference using the web-based program. Such kind of virtual meetings eliminates all the impacts associated with travel, accommodation, food wastage and other necessary impacts of traditional, physical conventions. Travel over long distances requires a large amount of time and energy. It involves burning fossil fuels, which is unsustainable and paves the way for climate change, with carbon dioxide emissions. Air travel is probably the worst offender in this regard, as aviation accounts for 2 percent of man-made global carbon emissions, and with global demand for passenger and cargo traffic forecasted to increase (www.tiaca.org - The International Air Cargo Association). Car travel is the next worst offender to sustainability. Mass transport is the most climate friendly method for travel and generally the rule is «the bigger the better» - compared to cars, buses are relatively more sustainable, trains and ships are even more so. Human and renewable energy are the most efficient ones and therefore are sustainable. Travel by bicycle, solar powered car or sailing boat produces no carbon emissions.

If we look at the below table taken from UNWTO Tourism Highlights 2012 edition, then we will see that international tourist arrivals will be doubled between the period 2010 - 2030. That will help us to understand how important sustainability in tourism is.

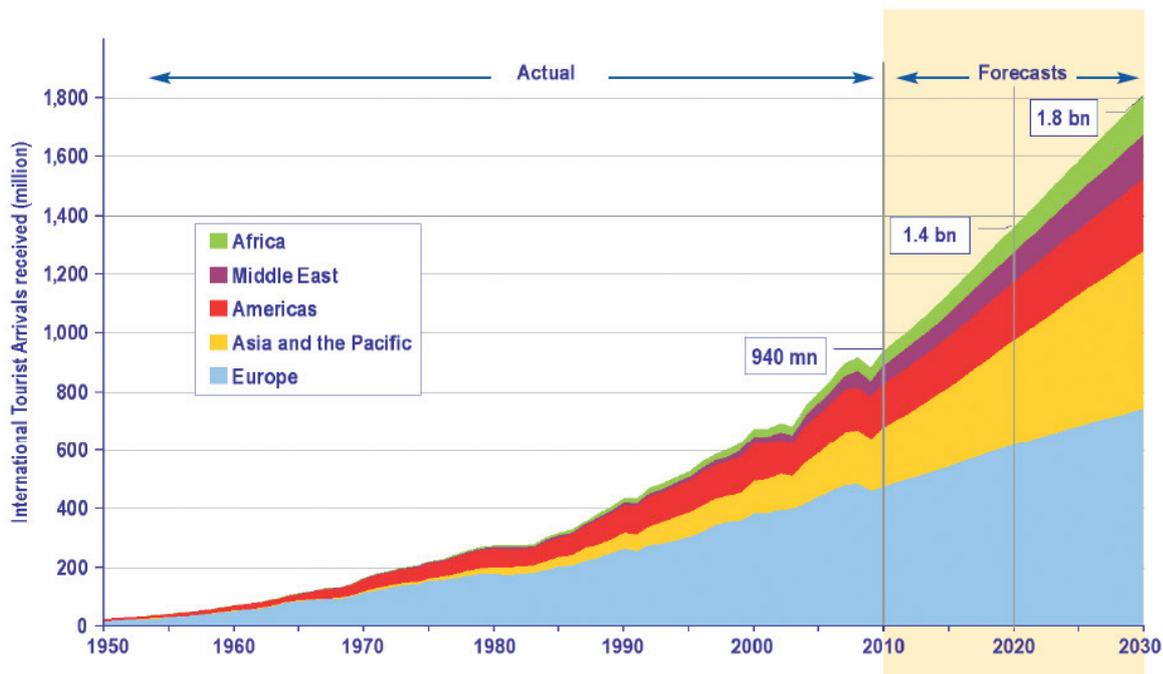
Principles for Sustainable Tourism

Several sets of principles for sustainable tourism have been proposed in the literature in an effort to operationalize the term of sustainable tourism and facilitate its implementation. Most of the sets refer to aspects such as involving local communities, sustainable use of the resources, planning for tourism, promoting information and research etc. According to the Eber principles of sustainable tourism are as below:

1. Using resources sustainably
2. Reducing over-consumption and waste
3. Maintaining diversity
4. Integrating tourism into planning
5. Supporting local economies
6. Involving local communities
7. Consulting stakeholders and the public



UNWTO Tourism Towards 2030: Actual trend and forecast 1950-2030



8. Training staff
9. Marketing tourism responsibly
10. Undertaking research

Community Based Sustainable Tourism

There is a promotion in sustainable tourism in terms of application of community based sustainable tourism (CBST). This form of tourism is based on the understanding that people living next to a resource are the ones best suited to protect it. Here tourism activities and businesses are developed and operated by local community members and certainly with their consent and support. Since sustainable tourism involves the conservation of resources that are capitalized for tourism purposes and locals run the businesses, they promote the conservation messages to protect their environment. CBST associates the success of the sustainability of the ecotourism location to the management practices of the communities who are directly or indirectly dependent on the location for their livelihoods. Local knowledge is usually utilized alongside wide general frameworks of ecotourism business models which allows the participation of locals at the management level and allows more intimate understanding of the environment. The use of local knowledge also means an easier entry level into a tourism industry for locals whose jobs or livelihoods are affected by the use of their environment as tourism locations. However, here it is worth to note that the partnerships between governments and tourism agencies with smaller communities are not particularly effective because of the disparity in aims between the two groups. Where one side aims for mass tourism for maximum profit and another side

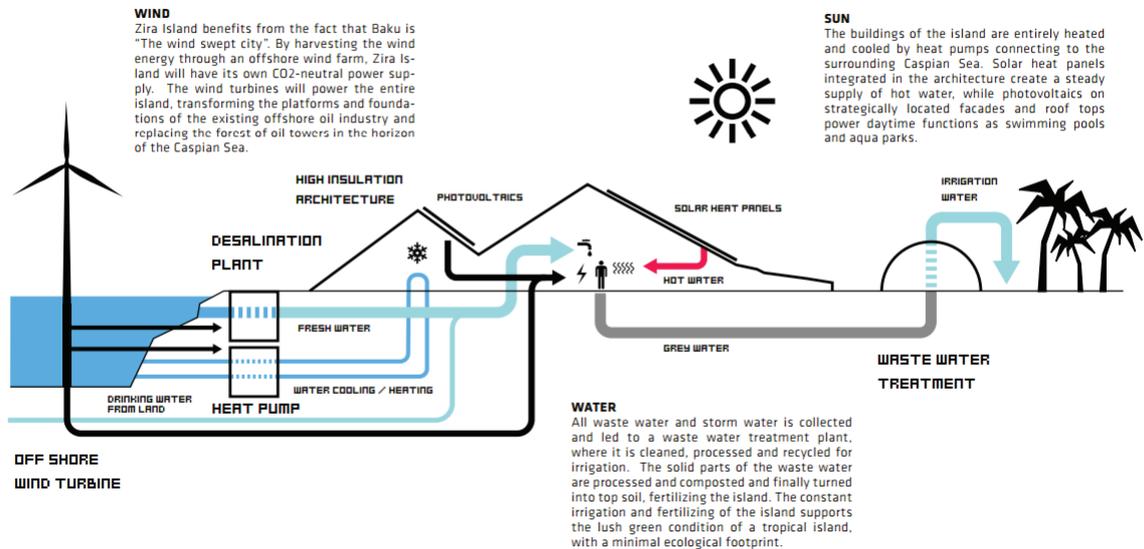
aims for true sustainability.

As another direction for sustainable tourism we can say about humane tourism where the idea is to empower local communities through travel related businesses around the world. In humane tourism the main focus is given to people, the local community. The idea is to enable travelers to experience the world through the eyes of its local people while contributing directly to those people, ensuring that tourist money benefits the local community directly. Humane tourism gives opportunity to the local people, empower them, enables them to enjoy the fruits of tourism directly. Currently internet has started to play vital role in tourism. Day by day the number of travelers planning their travels and vacations via internet are increasing. Traveler can search for new destinations to visit, talk or read about other people experience and buy services directly. The internet platform can encourage local people to start new businesses and that already existing small businesses will begin to promote themselves through the internet and receive the economic advantages of this directly in their communities. It is not attractive enough for many staying at a Western hotel. Now tourists are interested in prospect of experiencing the local way of life such as to go fishing with a local fisherman, to sleep in a typical village house, to work in local fields. These tourists are also happy to know that while doing so they promote the economic well-being of those same people they spend time with.

Zira Zero Island - Seven Peaks of Azerbaijan

In terms of sustainability Azerbaijan is pretentious. Below is the energy, water, heat use plan for the project «Seven Peaks of Azerbaijan».

3.1. ZERO CARBON FOOTPRINT



ZIRAISLAND
P. 31
Sustainability

It is planned to be a zero energy resort and entertainment city Seven Peaks of Azerbaijan in Zira Island situated within the Caspian Sea. Located within the crescent shaped bay of Azerbaijan's capital Baku, Zira Island is designed to be a sustainable model for urban and tourism development with iconographic skyline recognizable from the city's coastline. The Seven Peaks of Azerbaijan proposes and architectural landscape derived from its natural landscape. The mountains are conceived not only as metaphors, but at the same time engineered as entire eco-systems a model for future sustainable development.

Conclusion

Sustainable tourism is an integral part of overall sustainable development. Sustainable tourism is a recent concept used to reflect the need for a comprehensive analysis and management of tourism both as business and experience. However, this should not be the only consideration. Tourism is actually one part of the effort to achieve overall sustainable development. Already developed resorts are facing saturation problems and the challenge of reevaluating their developmental goals and patterns. The need to redefine tourism development in existing destinations on a more sustainable basis although may seem contradictory is actually a necessity. Sustainable tourism is often perceived as the opposite of mass tourism, which is the dominant form in most of the resorts. Although, it may seem unreasonable to expect that resorts with an intensive form of tourism, large numbers of visitors and a total dependence of their economies on tourism will be transformed overnight to sustainability paradises, there is an acute need to shift their tourism development towards a more sustainable direction.

Confronting and proposing solutions to the problems of already developed tourist areas is a key objective of sustainable tourism and not just creating new destinations even if these are considered sustainable (Butler, 1998).

Reference

- UNWTO World tourism barometer (January 2013)
- UNWTO Tourism highlights 2012 Edition
- Sustainable tourism indicators (IACM) (FORTH)
- Economics of tourism, Yu.V. Temnyi, L.R. Temnaya, Russia, 2010
- International tourism, A.Yu.Aleksandrova, 2002
- www.e-unwto.org
- www.ziraisland.com
- <http://www.arcspace.com/features/big/zira-island-master-plan>
- <http://www.dezeen.com/2009/01/30/zira-island-masterplan-by-big>
- <http://www.skyscrapercity.com/archive/index.php/t-843906.html>



The Effectiveness of Governmental Incentives in the Turkish Tourism Sector and the Relationship between Incentives and Tourism Revenue

Ferhat Başkan ÖZGEN

*Associate Professor Dr., Faculty of Economics and Administrative Sciences,
Adnan Menderes University
TURKEY*

Abstract

Tourism sector and tourism revenue have always been important for accelerating growth and achieving the balance of payments in every developing country including Turkey. This paper deals with the role and effectiveness of the recent governmental incentives in increasing tourism revenue and achieving the balance of payments in the Turkish tourism sector. In this respect, a general SWOT analysis of tourism sector is presented to see the benefits expected from it. Based on this analysis, recommendations are put forward for enhancing the effectiveness of the Turkish tourism incentive system. The role of tourism revenue in achieving the balance of payments is shown in figures for the period between 2003 and 2012. The tourism revenue composition of 2012 is examined whereby an attempt is made to generate solutions that may improve the tourism sector. The results of this paper do not provide a clear judgment concerning the effectiveness of incentive system in increasing tourism revenue. In Turkey, tourism incentive system should be improved through a mentality which removes the weaknesses of and threats to the sector more. Tourism incentives should be shaped regionally depending on the requirements and requests of tourists (tourism demand). In every region, the kinds of tourism that are suitable for the advantages of that region should be supported. Tourism sector is rapidly turning into a knowledge intensive sector within a very dynamic and competitive structure across the world. In the incentive system, a special importance should be attached to promotional and marketing activities, tourism information, and the activities about receiving tourism demand.

Keywords: Public Economics, Tourism incentives, Tourism revenues, Economic growth, Turkey’s current account balance,
JEL Classification: L83, H32, H27, F32

Introduction

Tourism revenue has always been valuable for Turkey, which is a nation trying to adjust its balance of payments. As a result, many policies have been devised to increase tourism revenue. The encouragement of tourism sector has been one such policy.

The main objective of this study is to briefly introduce the Turkish tourism sector and the tourism incentives adopted in Turkey, and discuss whether these incentives have any effect on increasing tourism revenue and achieving the balance of payments.

In this study, firstly the tourism incentive system implemented in Turkey in recent times is summarized, and a SWOT analysis of tourism is made. Secondly, the effectiveness of tourism incentives is discussed. Finally, the influences of incentives on increasing the nationwide tourism revenue and on the achievement of balance of payments are evaluated.

1. The Recent Incentive System Implemented in the Turkish Tourism Sector

The incentives and supports provided in the Turkish tourism sector are coordinated by the Ministry of

Culture and Tourism General Directorate of Investments and Establishments. These incentives and supports can be collected under seven groups:

- a) Small and Medium Enterprises Development Organization (KOSGEB) incentives and supports
- b) The incentives and supports implemented within the scope of «Council of Ministers Decision Regarding Government Aids in Investments»
- c) Incentives provided by the Law for the Encouragement of Tourism
- d) Real Estate Tax Exemptions
- e) EXIMBANK tourism credit facilities
- f) The encouragement of foreign capital investments
- g) Support for participating in foreign tourism fairs (Ministry of Culture and Tourism, 2012)

Small and Medium Enterprises Development Organization (KOSGEB) supports were launched in 2009. Today, those tourism establishments which bear the title of Small and Medium-Sized Enterprise (SME) can receive project support and refundable and non-refundable financial

supports from KOSGEB. Project supports are limited to specific fields such as production, marketing, and foreign trade. Financial supports are provided by meeting all or some of the costs arising from bank loans to be used by small and medium-sized tourism establishments such as interest, share of profit, and commission expenses. The upper limit of non-refundable KOSGEB grant is TL 150 thousand for 2013 (Ministry of Culture and Tourism, 2012, pp. 2–18).

The Council of Ministers determines the sectors that can benefit from government supports as well as the conditions to be fulfilled for enjoying them through an annual decision announced by it. The most recent decision dated 2012/3305 has changed the incentive system in Turkey considerably. Incentive system consists of *general, regional, large-scaled, and strategic investment incentive practices*¹. Turkey has been divided into six regions to be taken as a basis in investment incentive practices. The provinces and sectors that can enjoy *regional investment supports* have been determined. In this new system, tourism sector is mainly supported on the basis of accommodation facilities excepting Istanbul. In addition, hotel investments need to be minimum three-star excepting the sixth region. Hotel investments must have a value of at least TL 500 thousand in the sixth region. These hotels may enjoy the following regional incentive practices: (1) Customs duty exemption, (2) VAT exemption, (3) Tax deduction, (4) Employer's national insurance contribution, (5) Investment place allocation, (6) Interest rate subsidy (for the 3rd, 4th, 5th, and 6th regions), (7) Income tax withholding subsidy (only for the 6th region), (8) National insurance contribution subsidy (only for the 6th region). Within the scope of *general incentive practices*, investments will be supported in general without making any regional distinction. However, there is a minimum fixed investment amount to be fulfilled for benefiting from general incentive practices. This amount is TL 1 million for the first and second regions, but TL 500 thousand for other regions. The Council of Ministers Decision (Annex 4) specifies "the subjects of investment that are not to be encouraged or that are to be encouraged based on particular conditions". Those investments projects which are about the subjects indicated in the Annex 4 cannot enjoy general incentives². In this context, "hotels with tourism investment/ establishment certificate, boutique hotels, holiday villages, private accommodation facilities, and mountain houses/ hostels" will be encouraged in the tourism sector. Those accommodation investments which are outside the above-mentioned cannot enjoy incentives. Except for food & beverage, sports, entertainment and sales units, all units of non-accommodation tourism investments will be supported. The fair, convention, exhibition, and show center investments that fulfill particular closed-space and seat conditions will be supported, too. The general incentives which the above-mentioned facilities can enjoy are as follows: Customs duty exemption, VAT exemption, and subsidy for income tax withholding, for only the 6th region (Resmi Gazete, 2012).

According to the Law for the Encouragement of Tourism, public land and forest land can be allocated for

tourist facility investments for particular periods. In such a case, the "forest fund contribution fee" required to be paid by tourist facility will be paid by five equal installments within a term of five years as of the third year from the date of allocation. In terms of electricity, gas and water fees, these enterprises are subjected to the lowest rates applied to industrial enterprises and houses located in the related region. The demands of the tourist facility concerning the establishment of fixed phone and communication infrastructure are satisfied urgently (Resmi Gazete, 1982).

According to the 5th Article of the Real Estate Tax Law, those taxpayers that have obtained "tourism establishment certificate" are exempted from real estate tax for the buildings which they allocate for such business and which are included in their enterprises for 5 years as of the year following the year of completion of construction or the year of obtaining the tourism establishment certificate in the case of allocation (Resmi Gazete, 1970).

Essentially founded for supporting export, Türk Eximbank (Turkish Export Credit Bank) conducts a tourism credit program, too. Tourism enterprises, private airlines, and travel agencies and tour operators that satisfy particular conditions can enjoy the tourism credit program when they bring tourists from abroad. The upper limit and maximum term of the tourism credit are \$ 15 million and 1.5 year respectively. In addition, small and medium tourism enterprises that are engaged in foreign currency-generating activities can enjoy the investment credit provided by European Investment Bank through Eximbank for financing working capital requirements and the fixed capital investments that are actualized inside the country. Those projects which do not exceed 25 million are supported by maximum 12.5 million euros on the basis of companies. However, the amount, term, and other conditions of credit are determined by Eximbank (Erdağ, 2013, p. 5).

According to the Foreign Direct Investments Law, foreign investors can invest in tourism, as in any field, in Turkey. The incentives to be applied to such investments as well as the implementation of incentives are determined by the Ministry of Economy General Directorate of Foreign Capital (Ministry of Culture and Tourism, 2012, p. 54).

Those accommodation enterprises with a tourism establishment certificate which achieved a foreign currency inflow of minimum \$1 million within the previous year can finance their participation expenses as well as their promotional and marketing activities through government support when they participate in tourism fairs held abroad organizationally and in group. The amount of financing is limited to the grant provided in the relevant allocation of the Ministry of Culture and Tourism General Directorate of Promotion (Erdağ, 2013, p. 6).

2. SWOT Analysis of Tourism

A general theoretical SWOT analysis of the tourism sector is provided below.

Internal	
Strengths	Weaknesses
<ol style="list-style-type: none"> 1. There are well-designed physical spaces in proper places. 2. Enterprises are run with a strong logic of management. 3. Modern technologies that make life easier and nicer are used in tourism establishments. 4. There are well-designed websites used for promotion, communication, and appointment over the Internet. 5. Prices advantages are held in comparison to alternative markets. 6. A distinctive concept that makes service and the offering of service unique is adopted in enterprises. 7. There are big enterprises that reduce tourism risks. 8. There are enterprises that have founded their own supply chains. 9. Cost advantage is achieved in enterprises through economies of scale. 10. Costs are minimized though a proper cost management strategy. 11. Those products and physical goods that cannot be found by customers in other places are marketed. 12. Brand advantage is utilized. 13. Customer satisfaction and loyalty are regarded. 	<ol style="list-style-type: none"> 1. Technological and physical infrastructures wear off and become obsolete rapidly. 2. There is no well-prepared website. 3. Business processes do not run effectively. 4. There is a high burden of debt. 5. Many employees are needed, and these employees have a high turnover rate. 6. There are inconveniences in supply chain. 7. There are problems, unfavorable incidents or adverse situations about the supply of services, which can spread very rapidly and tarnish the brand and prestige of enterprise in today's communication age. 8. Some mistakes are made in the purchase of the intermediate goods and services that are used in the supply of services. Poor and problematic intermediate goods and services are used. 9. A bad management that does not attach adequate importance to risks and profitability administers enterprise. 10. High unit costs are adopted, but economies of scale are not taken into account. 11. There are inconveniences in customer relations and services.

Source: (Wikiwealth, 2013)

External	
Opportunities	Threats
<ol style="list-style-type: none"> 1. It is easy to make an investment in tourism as a small and medium-scaled enterprise. 2. Tourism services rapidly get varied; and new tourism services and fields arise across the world. 3. It is easy to provide promotion, communication, and appointment service through a website over the Internet. 4. The inventions and innovations of the age can be introduced to tourism easily. 5. The deregulation practices of government are observable in the tourism sector, too. 6. It is easy to open a tourism establishment in the countries called emerging markets. 7. Local, authentic, and traditional products can be offered to customers. Thus, a sense of distinctiveness can be created easily. 8. Tourism sector expands throughout the world. 	<ol style="list-style-type: none"> 1. Severe fluctuations in foreign exchange rate increase the risk of tourism investments. 2. There is a very strong international competition in tourism sector. 3. It is difficult to increase market share because domestic market is highly competitive. 4. Enterprises have to operate with low profitability ratios due to intense national and international competition. 5. There is a very strong political risk in some countries. Government changes tourism regulations very frequently. 6. The financial management of tourism establishments is very difficult because of severe fluctuations in variable and unexpected costs. 7. Customer expectations change very rapidly. It is difficult to fulfill these expectations.

Source: (Wikiwealth, 2013)

3. Effectiveness of Tourism Incentive System in Turkey

A good incentive system needs to pay more regard to the strengths, weaknesses, opportunities, and threats of the tourism sector. In Turkey, tourism incentive system focuses on the strengths of the sector. The incentive system in Turkey aims at featuring the strengths and opportunities of the sector more. Turkish tourism incentive system should be improved through a mentality that removes the weaknesses of and threats to the sector more.

Tourism incentives in Turkey support tourism investments indirectly. This support is mostly in the form of investment credits. However, it is a known fact that the supports in the form of grants increase tourism investments more (Toker, 2007). Tourism incentives are only one of the effective factors on the increase of tourism investments and the improvement of tourism sector, across the entire world (Nsiku & Kiratu, 2009, p. 3). In Turkey, a great importance is attached to tourism revenue in terms of the balance of payments. Therefore, the supports in the form of investment place allocation and grants should be increased.

Tourism revenue of Turkey increases GNP only to a limited extent (Akkemik, 2012). However, it is a proven fact that GNP can be easily increased in the countries like Turkey where there is a great variety of tourism opportunities (Sequeira & Macas Nunes, 2008). There are many scientific studies dealing with the effect of tourism on economic growth (Brida & Pulina, 2010). Turkey should increase its GNP more by using its tourism revenue (Gökovalı, 2010). Thus, the bond of overall tourism sector and alternative kinds of tourism (health, convention, mountain/tableland, thermal, golf, sports, ruin, etc.) with not only construction sector but also other sectors should be strengthened as far as possible.

In Turkey, tourism incentives should be more shaped regionally in accordance with the requirements and requests of tourists. For instance, tableland tourism, mountain tourism, sports tourism, and hunting tourism should be supported in the Black Sea Region, coastal tourism should be featured in the Aegean Region and Mediterranean Tourism, and faith tourism should be encouraged in Central Anatolia, Eastern Anatolia, and Southeastern Anatolia. Alternative kinds of tourism should be encouraged depending on the intensity of regional tourism demand.

Tourism supports should be more suitable for the socioeconomic development levels of provinces. By this means, tourism supports will contribute to development plan goals more (Kerimoğlu & Ciraci, 2005).

Promotional activities and marketing activities should be featured more than tourism investments within the Turkish tourism incentive system in order to understand and fulfill the changing tourism demands better. Severe tourism competition causes tourism sector to evolve into a very dynamic structure and become a knowledge intensive sector. It is very important to go to tourists and listen to them (understand what tourists want) in order to reach the tourists and offer them a tourism service that is suitable for their

desires. Government should support information collection and sharing activities associated with the above-mentioned objective through a central information infrastructure controlled by it, and share them with tourism entrepreneurs. This is more important than building tourism facilities.

4. Tourism Revenue and the Balance of Payments in Turkey

Tourism revenue increases from year to year in Turkey. In accounting terms, tourism revenue stands as the biggest value in the sub-item titled “balance of services” of current account in terms of the balance of payments. Increase in tourism revenue is the most fundamental factor that improves the balance of services in Turkey by net values. The permanent deficit emerging in the section titled “balance of goods” of current account can be partially closed through net balance of services surpluses. In other words, tourism revenue plays an important role in meeting the current accounts deficit of Turkey. The remaining deficit in the current accounts deficit is balanced by financial account surplus. By this means, the balance of payments is ensured.

Various empirical studies have proved the positive effect of tourism revenue on the balance of payments in Turkey (Çımat & Bahar, 2003; Kar, Zorkirişçi, & Yıldırım, 2004; Hasan, Ay, & Dinç, 2012).

The table below demonstrates the importance of net tourism revenue of Turkey for the balance of payments.

According to the TURKSTAT Tourism Statistics Database, 31.5 million foreign tourists leave Turkey every year. 6 million tourists prefer the land route whereas 23 million prefer airlines. The municipalities that are most frequently used as departure points are: Antalya (10.3 million), Istanbul (9.3 million), and Muğla (3 million). The same three municipalities are also the most frequent entry

Table 1: The Balance of Payments and Net Tourism Revenue of Turkey (Million \$)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I-CURRENT ACCOUNT (a+b)	-7554	-14198	-21449	-31836	-37781	-40438	-12168	-45447	-75092	-47476
Net Balance of Goods	-13489	-22736	-33080	-41058	-46852	-53021	-24850	-56413	-89139	-65712
Net Balance of Income	-5557	-5609	-5839	-6656	-7108	-8366	-8308	-7215	-7841	-6676
Net Balance of Services	10472	13030	16016	13985	13954	18817	18581	16658	20130	23545
Net Tourism Revenue	13855	17077	20322	18594	20943	25415	25065	24931	28116	29351
Balance of Goods, Services, and Income (a)	-8574	-15315	-22903	-33729	-40006	-42570	-14577	-46970	-76850	-48843
Current Transfers (b)	1020	1117	1454	1893	2225	2132	2409	1523	1758	1367
II-FINANCIAL ACCOUNT (c+d+e)	7162	17702	42685	42689	49287	34730	10123	59061	66698	68418
Net Direct Investments (c)	1222	2005	8967	19261	19941	17211	7110	7572	13698	8346
Net Portfolio Investments (d)	2465	8023	13437	7415	833	-5014	227	16093	21986	40780
Net Other Investments (e)	3475	7674	20281	16013	28513	22533	2786	35396	31014	19292
III-NET ERRORS AND OMISSIONS	4489	838	1964	-228	517	3011	2879	1405	9433	1923
OVERALL BALANCE (I+II+III)	4097	4342	23200	10625	12015	-2758	791	14968	1014	22821

Source: TCMB-Electronic Data Distribution System and TURKSTAT Tourism Statistics Database

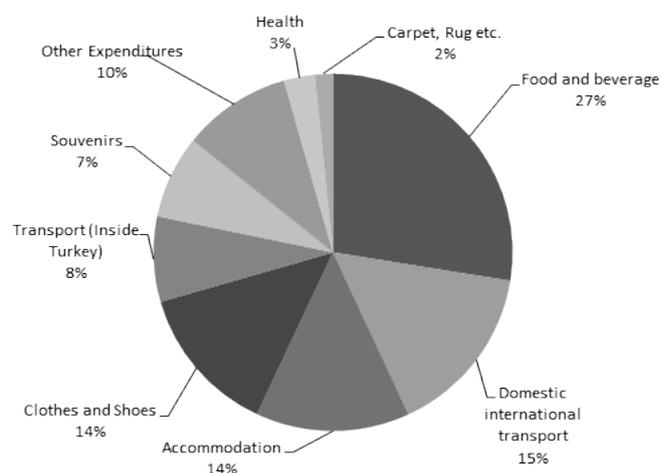


points into the country. Apart from these three municipalities, 2.7 million foreign tourists enter the country over Edirne, 1.5 million over Artvin, and 1.3 million over Izmir. For foreign tourists, the municipalities used as entry and departure points are generally the same.

Of the \$29.3 billion tourism revenue sum generated in 2012, only \$6.8 billion came from package tour expenses. The percentage of package tour expenses in total world tourism expenditure is rapidly increasing. It is quite necessary and possible to increase the package tour expenses in Turkey. This, in turn, may be possible through international promotion activities and the development of well-prepared websites which offer appointment and reservation options.

The composition of tourism expenses excepting package tour expenses in Turkey, 2012 is to be seen in Graph 1.

Graph 1: The Composition of Miscellaneous Tourism Expenses Excepting Package Tour Expenses



Source: TURKSTAT Tourism Statistics Database

The graph demonstrates that tourists spend their money for food and beverages, domestic and international transport, accommodation, clothes and shoes. Very few of the tourists who visit Turkey do in fact buy souvenirs such as carpets and rugs, and health expenditure seems minimal.

In order to increase the contribution of the tourism revenue to the balance of payments, it may be reasonable to assign a special importance to health tourism. It is also a viable option to offer special incentives (i.e. grants) to the services and promotional/marketing activities associated with health tourism. Small and medium-scaled enterprises producing local, authentic, and traditional souvenirs may be made to benefit more from tourism incentives and associated with larger tour companies through KOSGEB. Additional international promotional activities may be organized for these SMEs through the collaboration of KOSGEB and large tour companies, and these activities may be supported via governmental incentives on a priority basis. The large tour companies which benefit from governmental incentives in this manner may be compelled, as a prerequisite, to prepare

the professional websites of the SMEs with which they are collaborating (and transfer the websites in question to their control).

Conclusion

This paper presents the incentive system recently introduced to Turkish tourism, and studies the role of tourism revenue in meeting the current accounts deficit and achieving the balance of payments.

The new incentive system in Turkey is mainly in the form of investment incentives. The enterprises that intend to invest in tourism in today's Turkey benefit from various investment incentives such as tax deductions and exemptions, premium, withholding, interest subsidies, the allocation of investment places, etc. It is seen that the new incentive system gives priority to refundable credits, but neglects grants.

This paper has reached the conclusion that tourism revenue of Turkey increases year by year and plays an important role in meeting the current accounts deficit and achieving the balance of payments. However, whether the incentive system plays a role in the augmentation of tourism revenue is debatable. In order to clarify this point, a general theoretical SWOT analysis of tourism was made. It is seen that tourism incentives in Turkey are not distributed based on the strengths, weaknesses, opportunities and threats of the sector.

The paper suggests that Turkish tourism incentive system should be improved through a mentality that removes the weaknesses of and threats to the sector more. We would like to emphasize that tourism incentives should not be limited to mere indirect credit support for tourism investments.

Another suggestion we put forward in this report is to shape tourism incentives on a regional basis in accordance with the requirements and demands of tourists. For instance, tableland tourism, mountain tourism, sports tourism, and hunting tourism should be supported in the Black Sea Region, coastal tourism should be featured in the Aegean Region and Mediterranean Tourism, and faith tourism should be encouraged in Central Anatolia, Eastern Anatolia, and Southeastern Anatolia.

Another suggestion is to pay special attention to promotional and marketing activities within the tourism incentive system. Due to ever-increasing levels of global competition, it is necessary that tourism services are supplied in accordance with the demands of tourists in this knowledge intensive sector. The makers of the tourism incentive system should pay attention to this issue.

In order to understand demand in more accurate terms, government should support information collection and sharing activities through a central information

infrastructure, and share them with tourism entrepreneurs. This is yet another suggestion to be found in the paper.

Another conclusion and suggestion from the report is the observation that the tourists who visit Turkey expend significantly less amounts of money in package tours, which is to say that the number of tourists who visit Turkey in package tours is less than the desirable level and must be increased. This conclusion may imply that not adequate attention is paid to international promotion activities. To correct this, the government must offer adequate support to international promotion activities, as well as the development of well-prepared websites which offer appointment and reservation options.

It has been concluded that those tourists who visit Turkey spend only insignificant amounts of money to buy souvenirs (such as rugs and carpets) and for healthcare. In order to increase the contribution of the tourism revenue to the balance of payments, it may be reasonable to assign a special importance to health tourism. It is also a viable option to offer special incentives (i.e. grants) to the services and promotional and marketing activities associated with health tourism. Small and medium-scaled enterprises producing local, authentic, and traditional souvenirs may be made to benefit more from tourism incentives and associated with larger tour companies through KOSGEB. Additional international promotional activities may be organized for these SMEs through the collaboration of KOSGEB and large tour companies, and these activities may be supported via governmental incentives on a priority basis. The large tour companies which benefit from governmental incentives in this manner may be compelled, as a prerequisite, to prepare the professional websites of the SMEs with which they are collaborating (and transfer the websites in question to their control). Turkey will, in this fashion, make significant progress in the field of tourism promotion and marketing.

A final suggestion of this paper is the promotion of alternative types of tourism. This should be carried out in accordance with regional tourism demand levels. Geographical regions which display comparative superiority in such alternatives should receive the appropriate attention and support.

Endnote

1. The incentives of large-scaled and strategic investments are not about the tourism sector.
2. Yacht import, charter, and restaurant investments which are indirectly related to tourism sector are outside the scope of incentives.

References

- Akkemik, K. A. (2012). Assessing the Importance of International Tourism for the Turkish Economy: A Social Accounting Matrix Analysis. *Tourism Management*, 33(4), 790–801.
- Brida, J. G., & Pulina, M. (2010). A Literature Review on the Tourism-Led-Growth Hypothesis. Retrieved from <http://eprints.uniss.it/5623/>, (15.04.2013).
- Çımat, A., & Bahar, O. (2003). Turizm Sektörünün Türkiye Ekonomisi İçindeki Yeri ve Önemi Üzerine Bir Değerlendirme. *Akdeniz Üniversitesi İİBF Dergisi*, 3(6), 1–18.
- Erdağ, N. (2013). Devlet Teşviklerinde Turizm ve Otellere Sağlanan Teşvikler. Retrieved from <http://www.nevzaterdag.com/devlet-tesviklerinde-turizm-ve-otellere-saglanan-tesvikler/>, (15.04.2013).
- Gökovalı, Ü. (2010). Contribution of Tourism to Economic Growth in Turkey. *Anatolia*, 21(1), 139–153.
- Hasan, Ş., Ay, F., & Dinç, M. (2012). The Role of Tourism Incomes in the Reduction of Foreign Trade Deficit: A Comparative Analysis of Turkey and Bosnia-Herzegovina. Presented at the 3rd International Symposium on Sustainable Development, Sarajevo: International Burch University, 31 May - 01 June 2012. Retrieved from <http://eprints.ibu.edu.ba/1363/>, (15.04.2013).
- Kar, M., Zorkirişçi, E., & Yıldırım, M. (2004). Turizmin Ekonomiye Katkısı Üzerine Ampirik bir Değerlendirme. *Akdeniz Üniversitesi İİBF Dergisi*, 4(8), 89–90.
- Kerimoğlu, E., & Ciraci, H. (2005). The Analysis of Relation between Socio-Cultural-Economic and Tourism Development Levels of The Provinces in Turkey. In ERSA conference papers. Presented at the 45'th Congress of the European Regional Science Association "Land Use and Water Management in a Sustainable Network Society," Amsterdam: Vrije Universiteit, 23-27 August 2005. Retrieved from <http://www.sre.wu-wien.ac.at/ersa/ersaconfs/ersa05/papers/580.pdf>, (15.04.2013).
- Ministry of Culture and Tourism. (2012). Türkiye'de Turizm Sektörüne Sağlanan Teşvik ve Destekler. Ankara: General Directorate of Investment and Businesses. Retrieved from <http://www.ktyatirimisletmeler.gov.tr/Eklenti/4788,turkiyede-turizm-sektorune-saglanan-tesvik-ve-destekler.pdf>, (15.04.2013).
- Nsiku, N., & Kiratu, S. (2009). Sustainable Development Impacts of Investment Incentives: A Case Study of Malawi's Tourism Sector. Retrieved from <http://www.ndr.mw:8080/xmlui/handle/123456789/412>, (15.04.2013).
- Resmi Gazete. Emlak Vergisi Kanunu. , 13576 (1970).
- Resmi Gazete. Turizmi Teşvik Kanunu. , Pub. L. No. 17635 (1982).
- Resmi Gazete. Yatırımlarda Devlet Yardımları Hakkında Bakanlar Kurulu Kararı. , RG (2012). Retrieved from <http://www.resmigazete.gov.tr/eskiler/2012/06/20120619-1.htm>, (15.04.2013).
- Sequeira, T. N., & Macas Nunes, P. (2008). Does Tourism Influence Economic Growth? A Dynamic Panel Data Approach. *Applied Economics*, 40(18), 2431–2441.
- Toker, B. (2007). Türkiye'de Turizm Sektörü Teşviklerinin Değerlendirilmesi. *Celal Bayar Üniversitesi İİBF Dergisi*, 14(2), 81–92.
- Wikiwealth. (2013). Tourism SWOT Analysis. Retrieved from <http://www.wikiwealth.com/swot-analysis:tourism>, (15.04.2013).



Perspectives of the Tourism development in Georgia

Nika CHITADZE

*Ph.D. Faculty of Social Sciences,
International Black Sea University
Georgia*

Abstract

Tourism development in Georgia, taking into consideration the geographic location of the country, unique natural and resort potential, existence of the historic monuments etc. creates the opportunities for the rapid development of tourism industry in Georgia. This research paper tries to examine tourism-recreational potential of Georgia, historical and geographic sights of the country, development of the tourism-recreational economy, analyzing of the importance of the different recreational and tourist paces in Georgia, making comparative analysis of the different types of tourism, presenting main strengths and weaknesses of the tourism development in Georgia.

Keywords: Tourism, recreation, Geographic location, Historic monuments, International travelers.

Introduction

The economy of modern Georgia is transferring to the market relationships. Tourism and recreation are very sensitive toward any political, economic or social processes. Any changes in those fields toward the negative direction are followed by rapid reaction – decreasing the number of tourists and decreasing the attraction of foreign currency in the economy of the host country. It can be mentioned, that tourism-recreational economy of Georgia has passed very difficult period and now is in the period of development.

Except of incomes, well-organized tourism industry can bring many benefits, particularly: it promotes the increasing the employment as concretely in the tourism sector, also in its neighboring fields. Tourism, as important resource for the regional development, is able to prevent the migration of population (this circumstance is especially important for the preventing the migration of the people from mountain regions, where there are good conditions for the spending winter holidays etc.); in case of the sustainable development, tourism provides the protection of natural environment and historic-cultural values; creates the positive image for the investment's attraction; promotes the people to people contacts and strengthening cultural ties.

Meanings – “tourism” and “recreation” have many common, but, there are differences: different types of tourism (rest, treatment, fun, cognition etc.), means the implementation of the professional actions in distance with the permanent residence, so, in this case the travel is necessary condition. During the recreation, the same

actions are held without travel - in the usual environment for the personality. The coincidence of two meanings takes place, when tourist travels with rest purposes. Usually, the satisfaction of the tourist-recreational demands are held in big cities and resorts. Officially, there are known 102 resorts and 182 resort places in Georgia (Pavliashvili N. 2003. P. 167).

Resort represents the territory, which possesses tourism-recreational resources, where the necessary buildings and infrastructure for the rest and treatment are located. Resort place is rich with tourism – recreational resources, but has not the necessary facilities for the vacationers.

Tourism-Recreational Resources (TRR)

For any tourism-recreational activities the existence of the appropriate conditions are necessary. The natural and cultural values of the country gives an opportunity, to develop both – winter and summer species.

TRR are divided on two groups: natural and anthropogenic resources:

To the group of natural TRR are included climate, balneology, sea, snow-glacier, speleological, inland waters, forest etc. resources.

For the treatment-holidays, the most convenient are the low (500-1000m above the sea) and middle (1000-1500 m above the sea) mountainous resort zones, where are located popular climate resorts – Bakuriani, Bakhmaro,

Rica, Tsemi, also, the rest places around Tbilisi – Tskneti, Tsavkisi, Kojori, Manglisi. In general, there are 43 climate resorts in Georgia (Pavliashvili N. 2003. p. 168).

With regard to the balneology resources, they are represented by the waters with different temperature, mineralization etc. also medicinal mud. There are about 2 million mineral springs in Georgia, daily debit of which prevails 130 million liters. Especially important resources are in Kazbegi, Tskhaltubo, Java and Borjomi Regions. Among of 102 resorts, functioning of 59 is more or less connected with the treatment waters, among of them 28 are with balneology, 31 – mixed, 17 Balneology-climatic and 14 climate-balneology directions. Among of medical mud resorts, there are only two, which are functioning in the modern period – Akhtala and Kumisi (Pavliashvili N. 2003. P. 169).

As it is known, the seaside is the most attractive Tourist-Recreational resource in the World. The length of sea coast in Georgia prevails 300 Km. In the seaside of Georgia, the convenient period for holidays is at least 130-134 days, when, the same date in Baltic Regions is 60-90 days, and in Crimea 120 days (Kornilova, 1979). The whole length of Georgian seaside includes beaches, which are covered by sand and gravel. Additionally, it should be mentioned about aesthetic value of landscape. The biggest part of seaside is located on the coasts of Abkhazia (Sokhumi, Leselidze, Gagra, Bichvinta, Gantiadi etc.) and Ajara (Kobuleti, Tsikisdziri, Mtsvane Kontskhi, Batumi). In Ureki (Guria Region) one of the most natural-recreational resource is represented by magnetic sands, which includes about 4 % of Magnetics and Titan-Magnetics and it is positively reflected on the functioning of the children's organism and vessels system (Elizbarashvili N. 1980).

From the second half of the XX Century, in the whole World the rest in the winter resorts has been activated. For its development, it is necessary the existence during the concrete period of time (3 Months and more) sustainable snow cover and an appropriate relief configuration (the concrete length and inclination of the slope). Taking into account those requests, there are convenient conditions in Svaneti, Tusheti, Abastumani, Bakuariani, Gudauri and Bakhmaro. Among of them, the sport complexes are developed in Bakuariani and Gudauri.

At the same time, the western part of Georgia is rich by speleo-resources. There are researched more than 1000 Karst caves (in general, 200 Km). Among of them, the most popular were Sataplia and Akhali Atoni (Tatashidze Z. 1976).

Among of the internal waters, for the recreational purposes, most useful are rivers near the Black Sea coast, also rivers Mtkvari (Kura), Aragvi. Lakes – Ritsa, Paliastomi, Bazaleti, Tabatskuri. Also Tbilisi and Sioni reservoirs.

The general area of forests is 2,7 million hectares (Pavliashvili N. 2003. P. 170). Especially should be

mentioned about western part of Georgia. During the last period, the national parks (Borjomi-Kharagauli, Kolkheti) have been founded.

Georgia's landscape variety is outstanding in the World, especially in subtropical and moderate belt. There are more than fifty natural landscapes here, starting from damp subtropical or semiarid light forests to humid and naval landscapes. Such variety several reasons, the most important of them being as follows: geographic location (on the edge of tropical and moderate belts), high landscape belts (up to 5200 meters above sea level), and several millennia of land cultivation of this territory.

Georgia's Geographic Sights

Georgia is located in the South Caucasus Region, between latitudes 41° and 44° N, and longitudes 40° and 47° E. Total area of the territory of the country is 67,900 km² (26,216 sq mi). Very important part of the state is covered by mountains (Chitadze N. 2012. P. 1).

According to physical-geographical point of view, Georgia is located between the borders of Europe and Asia.

Georgia's territory, which borders in the north with Russia, in the east with Azerbaijan, and in the south with Armenia and Turkey, that share a south-eastern portion of its border with Iran, makes Georgia an attractive geopolitical-economic region, particularly since it is a country through which runs the Baku-Tbilisi-Ceyhan oil pipeline that flows from the Caspian Sea to Europe. Georgia also has easy access to the Black Sea ports. However, it is Georgia's military strategic importance which brings Georgia into greater focus and attraction geopolitically than its neighbors.

Georgia is singled out in the World also for its big share of pristine natural environment (territories) which represents 14% of the nation's area. Pristine natural landscape can be found both in protected territories and in high – mountain and mix relief areas (Elizbarashvili N. Kupatadze B. 2011. P. 3).

The formation of the territory of the country counts 600 million years. All kinds of reliefs known in the World are present here. The 2/5 of the territory is covered with forests which is a preeminent ecological asset. There are more than 15 thousand species of plants in Georgia, among them more than 4 thousand types of seminal, 75 filical and 2600 water plants. 6% of flora (or up to 900 species) are endemic and relict. The same kind of variety is typical for the wildlife, among them more than 100 species of mammals and more than 300 birds. By, volume, endemism and biovariety of the wildlife Georgia is among the top five European nations which is a vivid proof of its inimitable natural environment (Elizbarashvili N. Kupatadze B. 2011. P. 3).

There are hundreds of natural specimens which make momentous impression on visitors. Among them are dinosaur tracks, enormous and very deep caves, deep

and endemic types of canyons, full-flowing rivers having buoyant energy force, lakes and glaciers of different origin, virgin and light forests, semi-deserts and marshes, soils and endemic plants etc. It is also important, that various specimens of nature are concentrated on small spaces that increases their recreational purpose. The bulk of them are located in the protected territories of Georgia.

The protected territories of Georgia have 100-year history. The first sanctuary was established back in 1912, in Eastern Georgia, on the Southern slope of Caucasus mountains, on the outskirts of the town of Lagodekhi. In the course of a century the space of protected territories has constantly expanded. In Soviet period they were set to protect wildlife with a status of reserves or conservation areas. In the end of the XX century protected territories of Georgia exist in many categories, national parks enjoying particular popularity. Nowadays the total area of protected territories runs up to 500 thousand hectares that amounts to roughly 7% of the nation's territory. The biggest part of protected territories is covered with forests which, other than having recreational or educational function, carry also huge environmental and regeneration value as well (Elizbarashvili N. Kupatadze B. 2011. P. 3).

Georgia's Historical Sights

Georgia is the nation of long and complicated history, that is why plethora of cultural monuments are preserved on its territory. These are archeological sights of stone and bronze age, Antique era settlements, Middle Age fortresses, churches and monasteries, bridges and many other memorials.

The Geography of the Georgian historical architecture strictly reflects historical developments which took place in Georgia. Construction of bridges and roads is primarily connected with the period of United Georgia (XI-XV centuries AD), that is why these bridges are called among the population Tama's bridges. Fortresses and defense facilities of a large scale basically belong to the early middle Age period (IV-X AD) when the nation waged important defense wars. In later times these fortresses were renovated. In later Middle age period primarily feudal towers and relatively smaller castles were erected (Elizbarashvili N. Kupatadze B. 2011. P. 4).

In the course of different development stages of Georgian church architecture different houses of worship were built. Among them the oldest churches belong to a simple hall style. Such churches are constructed up to these days. Starting from V century AD bigger churches – basilicas (two – and three – nave edifices) emerge, and from VII century AD cross-type churches with domes start to be build. From VIII century AD a central-dome style architecture developed in Georgia which reached its apex in X-XI centuries AD cathedrals (Oshki, Bagrat Cathedral, Svetitskhoveli, Alaverdi).

From the outset the Georgian religious architecture

primarily experienced influence of Byzantine style (the specimens of this style are tow-dome cathedral of Gurjaani, round cathedrals of Gavazi, old Ishkhani, Katskha, Bana which belong to VII-X centuries AD). At the same time original church architecture was under development which has been finally shaped up in XI-XII centuries. Alongside the church architecture Georgian mural painting art made strides, the best specimens of which are dated to X-XIV centuries AD (Elizbarashvili N. Kupatadze B. 2011. P. 4).

Within the space of VIII-X centuries active church development is under way in almost the whole territory of Georgia (however, the southern and western Georgian kingdoms of Tao-Karjeti and Egrisi-Abkhazeti can be singled out). This is the period when 5 independent political entities take shape on the territory of Georgia and potentate of each one conducts active development. During the period of unified Georgian monarchy (XI-XIII centuries AD) big churches and monasteries were built near administrative centers and strategic venues. In later Middle ages construction of churches was under way basically in locations and timing where relative peace settled (for example, in Samtskhe – in XIV century AD, in Kakheti – in XVI century AD, in Kartli and Samegrelo – in XVII century AD) (Elizbarashvili N. Kupatadze B. 2011. P. 4).

There are fixed more than about 12 thousand historic-architectural monuments in Georgia (Pavliashvili N. 2003. P. 171).

Development of the Tourism-Recreational economy

The rest and treatment of the different illnesses on the territory of Georgia has long traditions. The remaining of the bathes on the territory of Borjomi are dated with the I Century. The treatment feature of the waters in Tskaltubo were known in XII Century (Pavliashvili N. 2003. P. 171).

Before the occupation of Georgia by Russian Empire, the recreational resources were used by local population. Later, the main customers of the Georgian resorts were the elite classes of Russia. Since the first half of XIX Century, there were founded balneology-climatic resorts (Borjomi, Abastumani), and from the end of the century the net of resorts at the sea cost in Abkhazia (Gagra, Gulripsh) and in Ajara (Kobuleti, Tsikisdziri).

Before the second occupation of Georgia in 1921, there were 6 sanatoriums (total number of places - 376) in Georgia. In 1939, the total number of sanatoriums increased till 60.

At the end of 80-th, there were functioning 500 tourist-recreational facilities, with total capacity 120 thousand beds. Among of them, 25 % was coming on medical facilities, 54% on holiday houses and bases, and 21% - on tourist objects. At this period, Georgia was at the third place (after Russia and Ukraine) among of post – soviet Republics. About 4,5 million tourists visited Georgia during this period (Pavliashvili N. 2003. P. 171).

Events, which were developed in the beginning of 90-th, interrupted the arrival of tourists, but since 1995, again started the increasing the number of tourists. According to State Border Protection Department, in 2000 Georgia was visited by 387 thousand people. This date is less for almost 10 times, the dates of 80-th (Pavliashvili N. 2003. P. 171).

It is necessary to point out, that in general, from the second part of 90-th, there has started the positive movement in the Georgian tourism industry. The number of visitors and tourists entered in the country have increased almost 30-40 times within 1995-2012 and its positive dynamic is still continuing. According to data of World Tourism Organization growth rate of the international travelers in Georgia in the recent years is nearly 40-50%, while in the neighbor Azerbaijan this rate was about 22%, in Armenia 11% and 12% in Russia (Shavgulidze T. 2013. P. 50).

To compare last years, number of international travelers in 2012 was 4 389 256, and in 2011 it was 2 822 363, in 2010 it was 2032586 and in 2009 it was 1500049 (Shavgulidze T. 2013. P. 49).

Conclusion

Tourism development in Georgia through fostering its unique resort potential is a shortest way to sustainable development of the national economy (Gigauri L. 2012. P. 413).

Among of the strengths of the tourism development should be mentioned about inherited tourist attractions – cultural and historical heritage, cuisine, natural contrasts, spa facilities as well as recent achievements – creation of competitive brand – homeland of wine and first Europeans, minimization of crime rate, simplification of public service system, etc. (Gigauri L. 2012. P. 413).

Weaknesses: Georgian tour agencies are not well organized, their offered packages are limited, while tourists have a desire to see as much as possible sightseeing's. The prices charged do not coincide with the quality of services provided by the Georgian agencies. Unfortunately, the employees in Georgian tourism business are not well prepared. Tourism infrastructure was mainly created some decades ago, during the Soviet era which is significantly outdated and its timely modernization on international standards level could not be done by Georgia's resources only.

Threats: Political developments in the neighboring country from the North; competitors – neighboring countries offering similar cultural heritage and resorts.

Opportunities: increased interest of reputed investors, international recognition of successful reforms carried out in the country, cancelation of visa requirements for citizens of the Russian Federation, potentially a major provider of visitors to Georgia, rapid growth of the national economy allowing faster execution of tourist projects

(Gigauri L. 2012. P. 413).

References

- pavliaSvili nino. turistul-rekreaciuli meurneoba. saqarTvelos geografia. nawili II. social-ekonomikuri geografia. Tbilisi 2003. gv. 167-177
- Корнилова И.П. Продолжительность купального сезона на территории СССР. Изв. АН СССР. Сер.геогр. И 4. 1979
- Элиزابаршвили Э.Ш. Гонгладзе Н.Ш. Климатография курортов Грузии. Тб. 1980.
- Таташидзе З.К. Карстовые пещеры Грузии (Морфологический анализ). Тб. 1976
- Chitadze Nika. Main characters of the population of Georgia. www.isrc.ge. January 31, 2012. P. 1.
- Elizbarashvili N. Kupatadze B. 100 Sights of Georgia. Publishing house "Clio". Tbilisi, 2011.
- Shavgulidze Tatiana. Tourism Management and Development. American University for Humanities. Master Thesis. Tbilisi, 2013. Pp. 49-50.
- Gigauri Lali. Tourism Development in Georgia. SWOT Analysis. 7th Silk Road International Conference. Challenges and Opportunities of Sustainable Economic Development in Eurasian Countries. 24-26 May, 2012, Tbilisi – Batumi, Georgia. p. 413
- Cooper C. Fletcher J. Tourism: Principles and Practice. London, 1998.
- Williams J. Lawson R. Community issues and resident opinions of tourism. London. 2001.
- www.unep.org
- http://www2.unwto.org
- http://www.geostat.ge

Forecasting the Effect of Tourism on Foreign Exchange Reserves in the Caucasus Region

Edward R. RAUPP

*Ph.D.
Caucasus University
Tbilisi, Georgia*

Danna RAUPP

*Caucasus University
Tbilisi, Georgia*

Abstract

Nations trade. More precisely, economic actors – individuals, firms, and governments – trade across international boundaries. Except in the case of a monetary union, such as the Euro Zone of the European Union, international trade involves multiple currencies. When Georgian firms buy goods from British producers, those firms pay for those goods in sterling. At some point, Georgians must acquire sterling in order to complete the transaction. Since lari, the Georgian currency (GEL), is not traded in international currency markets, Georgia’s central bank, the National Bank of Georgia (NBG), must purchase sterling in the international currency market using “something” other than GEL. That “something” can be gold or, more likely, a hard currency such as Euros or U.S. dollars, one that is widely accepted in currency markets around the world. So it is imperative that Georgia maintain a reserve of such foreign currencies in order to support its global trade activity. Where does Georgia acquire its foreign currencies? Exports of goods and services, foreign direct and portfolio investment, donations, and tourism. Although tourism is a form of export, this study treats it as a distinct contributor to the flow of hard currencies that may be used to maintain Georgia’s foreign currency reserve stock. The study finds that, while tourism represents a relatively small proportion of Georgia’s gross domestic product (GDP), its contribution to foreign currency reserves is much more substantial. The study concludes that a national program of investing in the tourism sector would have a significant and positive impact on its stock of foreign currency reserves.

Keywords: tourism, foreign exchange, reserve assets, foreign currency reserves

JEL: E27, E52, F31, F37, L83

Introduction

A common measure of a nation’s economic development is the growth rate of its gross domestic product (GDP). A more appropriate measure is the growth rate of its GDP per capita. Another measure, less well appreciated, is the rate of change of its stock of reserve assets. A nation with a trade surplus will see its stock of reserve assets increase, while a nation with a trade deficit will see its stock of reserve assets decline. This study examines the extent to which a nation’s receipts from tourism may affect not only its GDP (Raupp, 2009), but also its stock of reserve assets.

Background

Nations trade. More precisely, economic actors – individuals, firms, and governments – trade across international boundaries. Except in the case of a monetary union, such as the Euro Zone of the European Union, international trade involves multiple currencies. When Georgian firms buy goods from British producers, those firms pay for those goods in sterling. At some point, Georgians must acquire sterling in order to complete the transaction. Since lari, the Georgian currency (GEL), is not traded in international currency markets, Georgia’s central bank, the

National Bank of Georgia (NBG), must purchase sterling in the international currency market using “something” other than GEL. That “something” can be gold or, more likely, a hard currency such as Euros or U.S. dollars, one that is widely accepted in currency markets around the world. So it is imperative that Georgia maintain a reserve of such foreign currencies in order to support its global trade activity. Where does Georgia acquire its foreign currencies? Exports of goods and services, foreign direct and portfolio investment, donations, and tourism. Although tourism is a form of export, this study treats it as a distinct contributor to the flow of hard currencies that may be used to maintain Georgia’s foreign currency reserve stock. The study investigates the hypothesis that, while tourism represents a relatively small proportion of Georgia’s gross domestic product (GDP), its contribution to foreign currency reserves may be much more substantial. The study asks whether a national program of investing in the tourism sector would have a significant and positive impact on its stock of foreign currency reserves.

Literature Review

Nations maintain reserves of foreign currency primarily to settle outstanding financial obligations resulting from trade deficits. Barnichon (2009) notes, “International

reserves allow the country to relieve balance of payments pressures caused by external shocks and to avoid large fluctuations in imports.” Occasionally, however, and with sometimes calamitous results, national governments try to intervene in global currency markets to prop up their own currency. This is precisely the cause of the Asian financial crisis starting in July 1997, when the Thai government exhausted its foreign currency reserves in a futile attempt to buoy the value of its own currency, the baht (Kaufman, Krueger, & Hunter, 1999).

National income accounting systems calculate gross domestic product by adding consumption spending, gross private investment, government spending, and exports, and subtracting the value of imports.

Exports of goods are often cited as a principal contributor to a nation’s economic growth and development. Caution is merited here, however, even in the context of the Caucasus and Black Sea Regions’ liberalization of trade policies. Frensch (2000) notes,

“In spite of an hitherto unprecedented record of external liberalization in Central European economies contributions of exports to real growth have recently been rather unspectacular, especially when compared to the experience of OECD countries lacking a comparable degree of external liberalization” (p. 31).

Frensch finds the anomaly in transition economies arising from a reallocation of resources from “former excess supply sectors, such as industry and agriculture” which are mostly tradable in international markets, to “former excess demand sectors, specifically market services,” which are, for the most part not tradable in global markets. One thinks, in Georgia, of the rapid transfer of resources to the financial sector, including banking and insurance. So how can the nations of the Caucasus and Black Sea Regions reallocate their resources in ways that encourage, rather than inhibit, global trade? One way is tourism.

Tourism is an export of services, so increases in tourism increase economic growth. But what is the impact of such an increase in tourism on foreign currency reserves?

A modified model might look like the following:

$$\text{FOREX} = f(T, I, G, X - M, N)$$

where FOREX is a nation’s foreign currency reserves;

T is income from international tourism;

I is the value of foreign investments;

G is the value of grant aid from abroad;

X is income from exports; M is imports (X – M is net exports); and

N is the value of all other flows that contribute to FOREX.

To what extent, then, does tourism affect a nation’s foreign currency reserves? The British Commonwealth

Secretariat (2006) reported that in the Bahamas, “Higher tourism receipts led to a 37.3 per cent increase in foreign exchange reserves to US\$674.4 million at end-December 2004. Total external debt fell by 7.3 per cent to US\$558.8 million or 10 per cent of GDP” (p. 15).

In the Philippines, Remo (2012) reports, “Remittances from Filipinos working abroad continued to be the prime factor that fueled the rise of the country’s foreign exchange reserves. Other factors were foreign portfolio investments, foreign investments in business outsourcing industry, and tourism receipts.”

Roy and Tisdell (1998) take a skeptical view of tourism in general and its impact on the disparity of income and wealth between developed and less developed countries in particular. Nevertheless, they note that tourism has a beneficial effect on India’s foreign currency reserves:

...in recent years, greater emphasis has been put on invisibles for earning foreign exchange. Tourism is one of the important invisible items with the least import intensity. Imports in the tourist industry constitute just 10 percent of foreign exchange earnings as compared to 40 percent in engineering products, 70 percent in gems and jewelleryes, and 15 percent in garment industries. Therefore, it is widely recognized that development in the tourist industry with little foreign exchange obligations can be relied on as an export led strategy for growth (p. 31).

Also writing about the case of India, Siegeried (2008) notes, “Tourism is an important element of National Economy as a major contributor in balance of payments and as a means for foreign exchange reserves” (p. 58). Tourism initiatives in India have been successful.

During the period 1951-2001, India achieved a compound growth rate of 16.2 percent in foreign exchange earnings as against the world average of 13.5 percent. Income from international tourism can be phenomenal in the form of foreign exchange earnings. ... In the case of some European countries like Spain, Portugal, Austria, Yugoslavia and Greece, the invisible earnings from tourism are of a major significance and have a very strong positive effect on the balance of payments. (TeamXbox, 2012).

How much is enough? Barnichon (2009) notes the fragility of developing countries with respect to foreign currency reserves in the face of external shocks. He notes a case on the island of Grenada when in September 2004, a Category 3 hurricane caused estimated damage of over \$800 million—twice Grenada’s GDP. With insufficient foreign currency reserves, Grenada sought pledges from other nations “to finance relief, cleanup and emergency rehabilitations.”

The government sought donor assistance, but despite over \$150 million in pledges, only \$12 million was available to address the immediate liquidity needs. Instead of focusing on recovery and reconstruction, the government

was distracted by the need to finance the emerging resource gap. This led to delays in the recovery and reconstruction periods. (pp. 855-856)

Georgia's Tourism Sector

If the nations of the Caribbean require foreign currency reserves to deal with hurricanes, Georgia also needs reserves to deal with shocks, both natural and man-made. Tourism is adversely affected by such shocks but has a positive impact on reserves otherwise. Georgia's tourism sector is composed primarily of six components, as shown in Table 1.

Table 1 Total output of production in tourism related services (2012 est.)

	Million GEL
Hotel services; camping sites and other short-stay accommodation	86.8
Restaurant services and other serving of food and beverage	226.9
Railway transportation services	33.5
Other land transportation services; water transport services	219.1
Air transport services	35.7
Travel agency and tour operator services; tourist assistance services, n.e.c.	139.9
Total	741.9

Source: GeoStat, 2012

Georgia's GDP is about 10.6 billion Georgian lari (GEL) (Geostat, 2012). From the first quarter of 2006 through the third quarter of 2012, tourism has accounted for an average of 6.7 percent of Georgia's GDP, with a high quarter of 8.4 percent and a low of 5.5 percent. (See Table 2.) At first glance, this would appear to be a relatively minor contributor to the overall economy, and it is, when we consider GDP as the principal measure of the nation's economic development.

Table 2. Tourism as part of Georgia's GDP

	Percent
Arithmetic Mean	6.7
Geometric Mean	6.7
Median	6.7
High	8.4
Low	5.5
Standard deviation	0.58

From 2006 to 2012, tourism expenditures and income grew from 353 million GEL to 742 million, or 110 percent. During the same period, GDP rose from 4.2 billion to 10.6 billion, or 153 percent. One should note that the Russian invasion of Georgia in the summer of 2008 caused a sharp decline in tourism during and after the war. The

graphs at Figures 1 and 2 show the upward trend. Tourism appears to have recovered from the trauma of the invasion. The equation for the linear trend line may be interpreted as follows: On average, tourism outlays have been increasing by 13.4 million GEL per quarter over the period 2006 to 2012. Given no other information, and assuming a straight-line function over the coming five years, a simple forecast might be that tourism will account for more than one billion GEL by 2017.

$(13.425 \text{ million GEL per quarter} \times 20 \text{ quarters}) + 742 \text{ million} = 1.0105 \text{ billion GEL}$

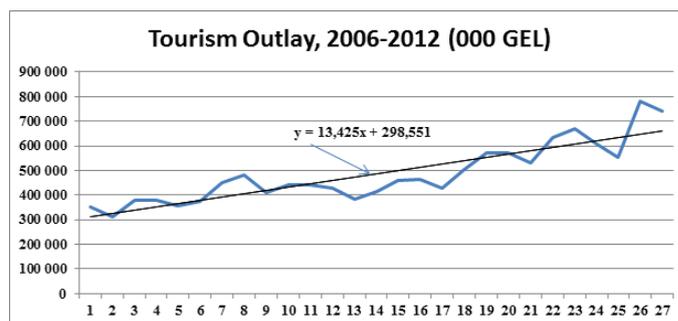


Figure 1. Expenditures and receipts from the tourism sector in Georgia, by calendar quarter, from first quarter 2006 to third quarter 2012 in thousands of Georgian lari. (GeoStat, 2012)

The curves shown in Figure 2 indicate a point of inflection at about the time of the Rose Revolution, 2003 – 2004, with both arrivals and receipts increasing at an increasing rate.

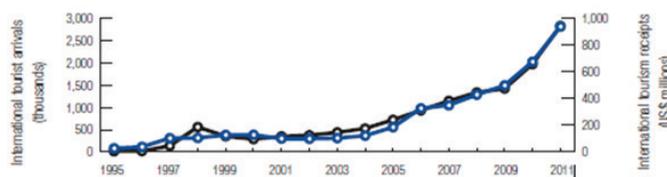


Figure 2. International tourist arrivals (left scale, thousands) and international tourism receipts (right scale, USD millions)

Georgia's Foreign Currency Reserves

This study does not offer a comprehensive investigation of the foreign currency reserve structure at the National Bank of Georgia. Reserve balances are affected by many factors, including, most notably, the balance of trade and currency values, as well as foreign investment. While tourism may properly fall into the category of exports, other exports from Georgia are larger. Nevertheless, tourism does represent an important element of the determination of foreign currency reserves. After all, tourists, like investors, do not bring lari to Georgia; they bring dollars, Euros, sterling, and other hard currencies.

The graph at Figure 3 shows an upward trend for foreign currency reserves at the National Bank of Georgia.

On average, as indicated in the equation for the linear trend line, foreign currency reserves have been increasing by 138 million GEL per quarter over the period 2006 to 2012. Given no other information, and assuming a straight-line function over the coming five years, a simple forecast might be that tourism will account for nearly 3.8 billion GEL by 2017.

(138 million GEL per quarter X 20 quarters) + 1.011 billion = 3.771 billion GEL

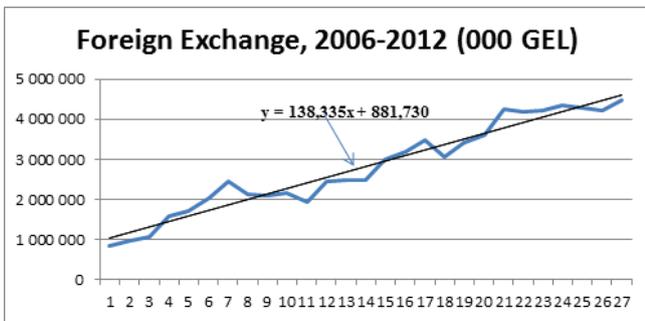


Figure 3. Foreign currency reserves at the National Bank of Georgia, at the end of the calendar quarter, from first quarter 2006 to third quarter 2012 in thousands of Georgian lari. (National Bank of Georgia, 2012)

Georgia’s Tourism and Foreign Currency Reserves

Regressing Georgia’s foreign currency reserves against its tourism income indicates a significant correlation. A scatter plot is shown in Figure 4.

ForEx vs. Tourism, 2006-2012 (000 GEL)

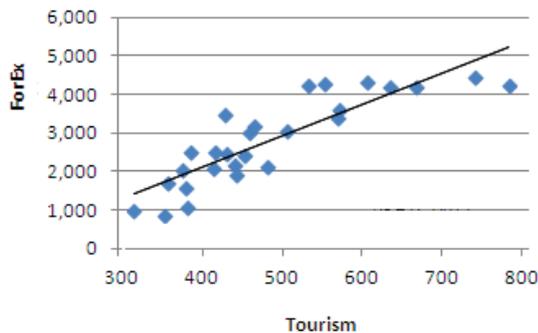


Figure 4. Foreign currency reserves at the National Bank of Georgia, at the end of the calendar quarter, from first quarter 2006 to third quarter 2012 in thousands of Georgian lari. (National Bank of Georgia, 2012)

The R2 statistic, also called the coefficient of determination, is the proportion of variability in the data set that is accounted for by the statistical model. An R2 of 0.7492 may be interpreted as follows: As tourism expenditures and receipts rise and fall, we may expect foreign currency reserves to move in the same direction such that about 75 percent of the change in reserves may be “explained” by changes in tourism spending. The coefficient of 8.0883 may be interpreted as follows: As tourism spending rises (or falls) by 100,000 GEL, foreign currency reserves rise (or fall) by

about 800,000 GEL.

It is, of course, true, as the old axiom tells us, that “correlation does not imply causation.” A high correlation does, however, ask for an explanation. In this case, a reasonable explanation is that tourists bring hard currency into the economy, as do foreign investments and exports of Georgian products. We cannot claim more than the evidence suggests, and this is that increased tourism activity will most likely lead to increases in foreign currency reserves.

Table 3. Summary Output

Regression Statistics	
Multiple R	0.87
R Square	0.75
Adjusted R Square	0.74
Standard Error (000)	575
Observations	27

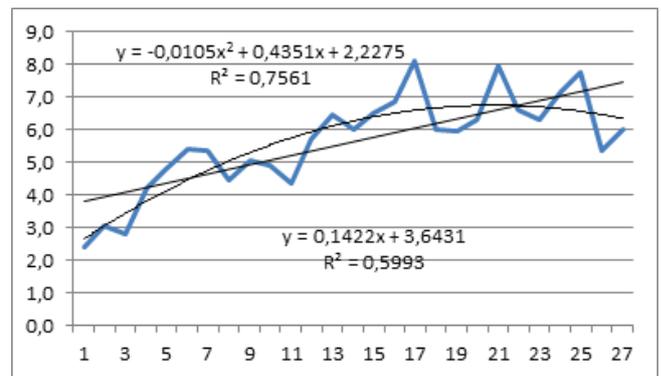


Figure 5. Ratio of FOREX to Tourism 2006 to 2012

Figure 5 shows the ratio of foreign currency reserves to tourism outlays from first quarter 2006 to third quarter 2012 in thousands of Georgian lari. (National Bank of Georgia, 2012). For the period, the mean ratio was 5.6, the median 6.0. The highest ratio was 8.1 and the lowest 2.4. A straight line ordinary least squares model shows a distinct trend over the period, with an R2 of 0.599. A better fit, however, is obtained with a nonlinear curve, with an R2 of 0.756. The nonlinear curve of best fit shows clearly that there has been a decline in the ratio after a fairly robust growth early in the period. One policy implication is that the foreign currency reserve balance could be improved by a greater emphasis in the Georgian budget on enhanced programs to encourage international tourism.

A calculation of elasticity of foreign exchange currency with respect to tourism was performed using the following standard formulation:

$$\epsilon = \Delta\%F / \Delta\%T$$

where ϵ is elasticity,

$\Delta\%F$ is percent change in Forex, and

$\Delta\%T$ is percent change in Tourism.

From the first quarter of 2006 through the third quarter of 2012, the geometric mean percentage changes are 5.51 percent for Forex and 5.98. Therefore,

$$\varepsilon = \Delta\%F / \Delta\%T = 5.51 / 5.98 = 0.92$$

Interpreting the calculation, an increase of one percent in tourism income results in nearly one percent increase in foreign currency reserves.

Georgia’s Tourism Competitiveness

Progress in increasing foreign currency reserves from tourism will depend to a large extent on the nation’s competitiveness among destinations around the world to which tourists are attracted. The 2013 Travel & Tourism Competitiveness Report (Blanke & Chiesa) ranks Georgia number 66 out of 140 nations, up a bit from number 73 in 2011. On the positive side, the Report shows Georgia to be one of the least restrictive destinations, number 12. On the negative side, Georgia is number 91 in human, capital, and natural resources and number 80 in business environment and infrastructure. These would appear to be fertile areas for investment in the nation’s economic future.

Conclusions

The theory that a one-percent increase in tourism will result in a one percent increase in foreign currency reserves is borne out by this study. The working hypotheses are not rejected. Tourism is a multiplier of foreign currency reserves. Given the need for Georgia – as well as other countries in the Caucasus and Black Sea Regions – to engage actively in international trade in order to gain for their peoples the advantages of globalization, it appears to be a sound, evidence-based, policy to make investments in the tourism sector. Investments in tourism are effective.

Recommendations for Further Research

The study suggests several recommendations for further research. These involve (1) the composition of currency reserves; (2) technology; (3) savings deposit insurance; (4) uncertainty; and (5) preparation of specialists in the field.

Given the volatility in international currency markets, the central banks of the Caucasus and Black Sea Regions must be vigilant and flexible. Further research is warranted in the composition of the foreign currency reserves in those banks. There should be careful analysis of the composition of the reserves, especially in light of the vulnerability of the US dollar in global markets.

Another area of further study is in automated currency exchange systems. The rapid rise in such technologies as automated currency markets and “big data” and neural network forecasting must be examined to determine central bank policies and operations.

More research is needed on the potential for both

positive and negative effects of savings deposit insurance for banking systems in the region.

Realistic scenario scripts should be developed to prepare for the event of the highly improbable but significant event, the “black swan” such as a rapid fall in the value of a particular currency forming a portion of the nation’s reserves.

Finally, research should be encouraged to determine how to match the human capital requirements in this area with the curricula of universities in finance and banking, including at the national and regional levels, to deal with the critically important relationships of foreign currency reserves and particular individual sectors such as tourism.

References

- Babu, A. S. (2008). *Tourism Development in India: A case study*. New Delhi: APH Publishers.
- Bank for International Settlements. (2012). Central bank and monetary authority websites. Retrieved December 30, 2012, from <http://www.bis.org/cbanks.htm>.
- Barnichon, R. (2009). The Optimal Level of Reserves for Low-Income Countries: Self-Insurance against External Shocks. *IMF Staff Papers*, Vol. 56, No. 4.
- Blakeslee, M. R., & Garcia, C. A. (2000). *The language of trade* (3rd ed.). Washington: U. S. Department of State.
- Blanke, J., & Chiesa, T. (Eds.). (2013). *The travel and tourism competitiveness report 2013: Reducing barriers to economic growth and job creation*. Cologny, Switzerland: World Economic Forum.
- Commonwealth Secretariat. (2006). *Small states: Economic review & basic statistics - Volume 10*. London: Author.
- Frensch, R. (2000). Internal liberalization as a barrier to export-led recovery in Central European countries preparing for EU accession. In *Comparative Economic Studies*, XLII, 3, 31-47.
- GeoStat. (2012). Total output of production in tourism related services. National Statistics Office of Georgia. Retrieved December 29, 2012, from http://www.geostat.ge/index.php?action=page&p_id=119&lang=eng.
- International Monetary Fund. (2004). *Guidelines for foreign exchange reserve management*. Washington: IMF, Retrieved December 29, 2012, from <http://www.imf.org/external/pubs/ft/ferm/guidelines/2004/081604.pdf>.
- Investopedia. (2012). FOREX. Retrieved December 30, 2012, from <http://www.investopedia.com/terms/f/forex.asp#axzz2GVW7mDOX>.
- Kaufman, G. G., Krueger, T. H., & Hunter, W. C. (1999) *The Asian financial crisis: Origins, implications and solutions*. Heidelberg, Germany: Springer.
- National Bank of Georgia. (2012). Monetary statistics. Retrieved December 29, 2012, from <http://www.nbg.gov.ge/index.php?m=306&lng=eng>
- Qfinance. (2012). Invisible earnings. Retrieved December 30, 2012,

from <http://www.qfinance.com/dictionary/invisible-earnings>.

Raupp, E. R. (2009). Forecasting tourism in post-Soviet Georgia. International Symposium on Forecasting, Hong Kong, June 23.

Raupp, E. R. (2012). A brief dictionary of economic terms, 2nd ed., Expanded and illustrated. Gori, Georgia: Gori University Press.

Remo, M. V. (2012). BSP expects forex reserves to hit new highs. Philippine Daily Inquirer. Retrieved December 29, 2012, from <http://business.inquirer.net/96635/bsp-expects-forex-reserves-to-hit-new-highs>.

Roy, K. C., & Tisdell, C. A. (Eds.) (1998). Tourism in India and India's economic development. Commack, NY: Nova Science Publishers.

Siegeried, A. (2008). Contribution of tourism to foreign earnings. In Babu, A. S., Tourism Development in India: A case study. New Delhi: APH Publishers.

TeamXbox. (2012). Contribution to foreign exchange earnings from tourism. Retrieved December 30, 2012, from <http://forum.teamxbox.com/showthread.php?t=624424>

Appendix A – Definitions

(Most definitions are from Raupp (2012), unless otherwise noted.)

BIS - Bank for International Settlements, “a forum for discussion, policy analysis and information-sharing among central banks and within the international financial and supervisory community.” (BIS, 2012)

central bank - A country's principal monetary authority, responsible for such key functions as issuing currency and regulating the supply of credit in the economy.

central reserves - Reserve assets held by the central banks of nations.

convertible currency - See “hard currency.”

foreign exchange (FOREX) - Sale and purchase of currencies; any foreign currency. “The market in which currencies are traded. The forex market is the largest, most liquid market in the world with an average traded value that exceeds \$1.9 trillion per day and includes all of the currencies in the world” (Investopedia, 2012).

gross domestic product (GDP) - The total money value of a nation's output, income, or expenditure produced within its physical boundaries. The total value of all final goods and services produced in an economy.

gross national product (GNP) - The total money value of the output, income, or expenditure produced by a nation's citizens. The total value of all final goods and services produced by a nation's citizens, regardless of where the activities take place. Generally being replaced by GDP as a measure of economic activity.

hard currency - Money that can be converted to other currencies in most countries. Hard currencies are used for international transactions and national bank reserves. Most common is the United States dollar. May include the EU euro, Japanese yen, British pound sterling, and Swiss franc, and others that may commonly be exchanged around the world.

invisible earnings - foreign currency from services not commodities; foreign currency earned by a country in providing services such as banking and tourism, rather than in selling goods. (Qfinance, 2012).

reserve assets - Assets nations hold as reserves. May include hard currencies, gold, SDRs, and other widely recognized and convertible assets.

reserve currency - A currency in which countries hold reserves. “A national currency such as the dollar or pound sterling or international currency such as Special Drawing Rights, used by many countries to settle debit balances in their international accounts.” (Blakeslee & Garcia, 2000)

reserves - Liquid financial assets with which nations can settle debts to other nations.

Special Drawing Rights (SDRs) - A form of international reserve currency created by the International Monetary Fund (IMF) in 1969. Its value is a weighted average of the values of the major national currencies. Used between member governments and the IMF.

The Role of Tourism in the Development of Regions

Rufat MAMMADOV

*PhD. Candidate, Business Administration Department,
Faculty of Economic and Administrative Sciences
Qafqaz University, Azerbaijan
rmammadov@qu.edu.az*

Abstract

Tourism is one of the industries that make a lot of profit though it is an investment intensive sector. Many countries put much more investment in country's infrastructure or give the opportunity for the private sector to invest in this sector. At the same time, with the help of the profits earned from tourism the countries may cover the budget deficit in their economies. Notwithstanding this, not all countries can compete with other countries in tourism. Some countries or regions have the touristic potential but the wrong economic policies or natural disasters may destroy these potentials and as the consequence the image of the country may be damaged.

Hence inside the country some regions may come forward because of their touristic potentials and infrastructure. And that is why these regions become more developed and organized. The socio – economic development of such regions start to improve. Because of tourism industry the unemployment level goes down, the people's welfare of that region improves, at the same time the neighbor regions benefit from tourism developed regions. That is why the countries are interested in the development of such regions and invest in their marketing activities.

In this article, the role of tourism in country's economy is stated, at the same time the importance of tourism sector for the development of regions is noted. For this purpose together with the Tourism Barometer of 2012 by World Tourism Organization, statistical information of Azerbaijan and other countries' have been used. At last, in the conclusion some important issues concerning the touristic development of regions have been explained.

Key words: Region, tourism sector, socio – economic development, Azerbaijan, Tourism Barometer 2012.

JEL code: L83 - Sports; Gambling; Recreation; Tourism

Introduction

In most economies tourism has an important role. The role of tourism can be seen in the formation of GDP, at the same time it has a key role in the state budget profits together with the budgets of the regions. But of course the development level of tourism may vary from country to country even from region to region within the country because of the economic development level of the country or the region, its total infrastructure, unemployment level, the share of tourism industry in the economy, total transportation network, the socio-economic development of the nation, the attitudes of people towards tourism, the development of other industries in the economy, the political and legal stability in the country, the marketing of the destinations and etc.

All these factors play an important role for the development level of tourism in the country and region. Taking into consideration these factors, the countries try to develop tourism. Thus, those countries like Turkiye, Spain, Italy, the US, Poland, Australia and others whose economy benefits from tourism succeeded the socio-economic development and improved the infrastructure in order to increase the share of tourism in their economy. Besides, the profits from tourism help those countries to cover the budget

deficit and develop other sectors in the economy.

But together with the development there are such countries like Greece, Italy, Egypt, Tunisia faced economic and political instability which affected their shares in tourism. Hence it reflects itself in the profits and damaged the image of the country.

1. The Development of Tourism in the World and in Azerbaijan

In 2011, international tourism receipts reached a record US\$ 1,030 billion (euro 740 bn), up from 927 billion (euro 699 bn) in 2010. This represents a 3.9% growth in real terms, while international tourist arrivals increased by 4.6% in 2011 to 983 million (See table 1 and 2) (WTO, 2012).

If we analyze the regions, according to the WTO highlights the largest increase in receipts in 2011 received the Americas with +5.7%, then comes Europe with +5.2%, Asia and the Pacific with +4.4% and Africa +2.2%. But because of political instability the Middle East's tourism has negative growth of -14%.

The countries with high political instability lose their positions in tourism market. That is why the countries must

gain political and especially the economical stability in order to increase their shares in tourism.

Each spent money on lodging, food and drink, transportation, entertainment and shopping by tourists and visitors, is vital for the economy of many destinations in opening new vacancies thus resulting in reduction of unemployment, and for the development of tourism industry which will benefit the other sectors and reduce the deficit in their trade balance. In 2011, there were significant increases in both emerging and advanced destinations in receipts.

When we look at Azerbaijan tourism industry it is visible that Azerbaijan's tourism industry grew 22% in 2011 in relative to previous year. In 2011 Azerbaijan accepted 1.5 million tourists all over the country which generated over \$ 1 billion dollars in revenue. In comparison with other developing countries Azerbaijan's tourism industry is falling behind (Table 3). But notwithstanding this, tourism industry becomes one of more important issues in the economy of Azerbaijan Government.

2. The Role of Tourism in the Development of Regions

The development of tourism in regions is the part of country's socio-economic development and is based on local and country wide resources. The role of tourism is characterized with the increase in GDP, new vacancies, the efficient use of local resources, the cultural interchange of nations, socio-economic prosperity of regional and country nations, and formation of local budgets.

According to Professor Alirzayev, tourism increases the employment in regions, uses the regional resources in placement of production and service facilities, develops them, and forms the budgets and increases the profits of the regions by meeting the demand of local and foreign tourists (Alirzayev, 2011:165).

The development of tourism in regions is based on several regional characteristics. The regions geographical position, their resources, financial situation, the marketing activities are the main factors in defining the role of tourism for the regions (Timur and Olali, 1988:245).

Taking into consideration the opportunities offered by tourism the countries invest in summer and winter tourism in order to spread the seasonal factor all over the year. The regions' socio-economic development defines the socio-demographic perspective of the same regions. The higher the employment rate, the more sustainable development is characteristic. Thus the demographic problems in the region are solved, the economy is sustainable and stable, other sectors get the opportunity to develop in the region.

As the consequence, reducing the unemployment rate in the region by means of tourism leads to reduction in work force insufficiency and minimizes the population migration. The development of regions in the country results in enhancement of life style and social infrastructure of local

people (Gurbanov, 2007:117).

3. Tourism as the Development Factor of Azerbaijan Regions

Azerbaijan Republic is considered one of the growing tourism destinations in the world. There are many natural resources for tourism. Also the geographical position of the country is suitable for the development of tourism. From north to south the country is bordered with the Caspian sea which gives great opportunity for sea, sand and sun tourism.

Besides, in Azerbaijan there are nine climatic zones out of 11 in the world. It also creates great opportunity for the development of different tourism types like ecotourism, rafting, winter tourism, religious tourism and etc. (Abutalibov, 2008:140).

Azerbaijan Republic is divided into 11 economic regions. They differ from each other based on their natural resources, the development level of tourism, agricultural, heavy industries, population density, climatic resources, the population demographics, cultural resources and etc. The most developed region is Absheron where the capital Baku is situated. The least developed regions are Mountaneours Garabakh and Kalbacar-Lachin which are under occupation of Armenia (ier.az, 2013).

At the same time, in the Absheron region there are great infrastructures for the development of business and congress tourisms. 2012 was very successful for Azerbaijan. In this year Azerbaijan was hosting Eurovision Song Contest, Women's World Football Championship, Expo exhibitions and etc. All these events took place in Absheron region. Because of this, many permanent vacancies were opened, the transportation infrastructure was developed, the current personnel were trained. As the result Azerbaijan was the home for these event.

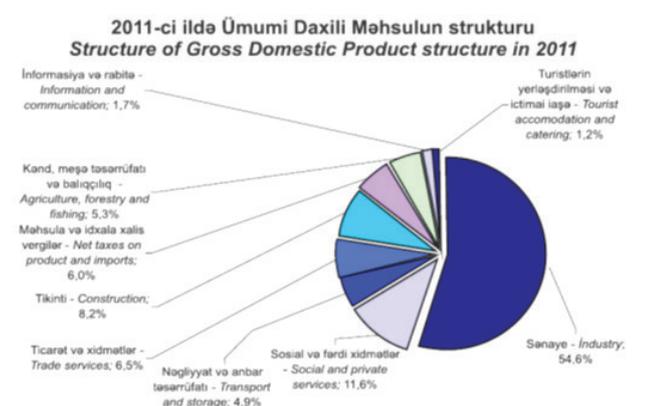
According to the research conducted by Zaman Newspaper in 2012, most of the tourists visiting Azerbaijan come here for cultural tourism. At the same time in summer they prefer ecotourism where they can be alone with the nature. The results of research showed that the most preferred regions were Guba-Khacmaz, Lankaran-Astara, Shamakhi-Ismayilli-Gabala and Sheki-Zagatala (Zaman Newspaper, 2013:22).

Notwithstanding these developments tourism industry takes just 1.2% of total GDP of Azerbaijan. The growth rate of tourism industry is 22%. But still the role of tourism is counted very low.

Hence, in regard to the development Azerbaijan Government continuous investing in tourism industry and prepares the legislative aspect for it. As the example the year of 2011 was announced as the tourism year in Azerbaijan. At the same time, the President Ilham Aliyev signed the state program of "Tourism Development" which comprises the years of 2006-2015. In this regard in all regions the

infrastructure is developed, new airports are being built, Olympic cities were built, Olympic stadiums are being constructed, in order to increase the bed capacity new hotel and motel facilities either in regions or in the capital are under construction, natural resources are protecting under Specially Protected Areas. In Guba-Gusar region, the government is building new winter tourism center which will compete with well known winter tourism centers. As the complementary investment, the government is building new airport in Guba which will complement the winter center project.

Diagram 1. The Structure of GDP in 2011 for Azerbaijan Republic



Source: Azerbaijan State Statistical Committee, 2012

In order to attract tourists, the country built new airport named after National Leader Haydar Aliyev. Together with this, the government reconstructed the infrastructure of old airports in the regions and bought new aircraft. As an example, new Airbus A 320 and Boeing 767 will be enough. Besides, the first airline company in the world to order Boeing 787 - Dreamliner is Azerbaijan Airlines (Mammadov, 2012:383).

All these factors show that tourism plays great role for the countries in covering the budget deficit, investing in other sectors, especially in social sector like hospitals, schools, universities, enhancing the life style of population, opening new vacancies thus decreasing the number of unemployment level, investing in other industries like automobile, heavy industry and etc.

Conclusion

Taking into consideration the role of tourism in the development of regions, countries must increase their investment or create the opportunity for private sector to invest in the regions for increasing their shares in tourism market.

To sum up the following actions should be taken for increasing the role of tourism in the economy;

- To spread tourism over the year in order to benefit from all forms of tourism
- To protect the natural resources

- To educate the local people in relation to tourism sector
- To develop the local infrastructure
- To control the price level in tourism sector
- To provide the security for the tourists
- To rebuild current infrastructures
- To increase the bed capacity in the country
- To build touristic information centers

As a matter of fact all the regions with high level of development will benefit from tourism industry and increase their shares in tourism market.

References

- Ali Alirzayev, Turizmin İqtisadiyyatı və İdarəedilməsi, İqtisadiyyat Universiteti, Baki, 2011.
- Alp Timur and Hasan Olali, Turizm Ekonomisi, Izmir, 1988.
- Azerbaijan State Statistical Committee, Statistical reports, 2012.
- Firudin Gurbanov, The Development Problems of Azerbaijan Tourism, Adiloghlu, Baku, 2007.
- <http://www.ier.az/view.php?lang=az&menu=8&submenu=226>, 25.04.2013
- Rasim Abutalibov, The Concentration of Production and Regional Socio-Economic Development, Published PhD dissertation, Baku, 2010.
- Rufat Mammadov, The Importance of Transportation in Tourism Sector, 7th Silk Road International Conference “Challenges and Opportunities of Sustainable Economic Development in Eurasian Countries”, 24-26 May, Batumi-Tbilisi, p381-388, 2012.
- United Nations World Tourism Organization, Tourism Highlights, 2012.
- Zaman newspaper’s special edition for tourism sector, Baku, April edition, p.22, 2013.

Appendix A - Tables

Table 1. International Tourist Arrivals

	International Tourist Arrivals (million)							Market share (%)	Change (%)		Average annual growth (%) '05-'11*
	1990	1996	2000	2005	2009	2010	2011*		10/09	11*/10	
World	435	528	674	799	883	940	963	100	6.4	4.6	3.5
Advanced economies ¹	296	334	417	455	475	499	523	53.2	4.9	4.9	2.4
Emerging economies ¹	139	193	256	344	408	441	460	46.8	8.2	4.3	5.0
By UNWTO regions:											
Europe	261.5	304.0	385.0	440.7	461.7	474.8	504.0	51.3	2.8	6.2	2.3
Northern Europe	28.6	35.8	43.4	56.1	56.0	56.1	59.3	6.0	0.2	5.6	0.9
Western Europe	108.6	112.2	139.7	141.7	148.5	153.8	159.0	16.2	3.6	3.4	1.9
Central/Eastern Europe	33.9	58.1	69.3	90.4	92.6	95.7	103.5	10.5	3.3	8.1	2.3
Southern/Medit. Eu.	90.3	98.0	132.6	152.5	164.5	169.1	182.2	18.5	2.8	7.7	3.0
- of which EU-27	230.1	265.9	323.7	352.4	356.8	364.9	385.0	39.2	2.3	5.5	1.5
Asia and the Pacific	55.8	82.0	110.1	153.6	181.1	204.4	217.0	22.1	12.9	6.1	5.9
North-East Asia	26.4	41.3	56.3	85.9	98.0	111.5	115.8	11.8	13.8	3.8	5.1
South-East Asia	21.2	28.4	36.1	48.5	62.1	69.9	77.2	7.8	12.5	10.4	8.0
Oceania	5.2	8.1	9.6	11.0	10.9	11.6	11.7	1.2	6.1	0.9	1.0
South Asia	3.1	4.2	6.1	8.1	10.1	11.5	12.4	1.3	13.6	8.0	7.2
Americas	92.8	109.0	128.2	133.3	141.7	150.7	156.6	15.9	6.4	3.9	2.7
North America	71.7	80.7	91.5	89.9	93.0	99.2	101.7	10.3	6.6	2.5	2.1
Caribbean	11.4	14.0	17.1	18.8	19.6	20.0	20.8	2.1	2.2	3.9	1.7
Central America	1.9	2.6	4.3	6.3	7.6	7.9	8.3	0.8	3.9	4.8	4.7
South America	7.7	11.7	15.3	18.3	21.4	23.6	25.8	2.6	10.0	9.4	5.8
Africa	14.8	18.8	26.2	34.8	45.9	49.7	50.2	5.1	8.5	0.9	6.3
North Africa	8.4	7.3	10.2	13.9	17.6	18.8	17.1	1.7	6.7	-9.1	3.5
Subsaharan Africa	6.4	11.5	16.0	20.9	28.3	31.0	33.1	3.4	9.6	6.9	7.9
Middle East	9.6	13.7	24.1	36.3	52.8	60.3	55.4	5.6	14.2	-8.0	7.3

Source: UNWTO, 2012

Table 2. International Tourist Receipts

	International Tourist Arrivals (million)							Market share (%)	Change (%)		Average annual growth (%) '05-'11*
	1990	1996	2000	2005	2009	2010	2011*		10/09	11*/10	
World	435	528	674	799	883	940	963	100	6.4	4.6	3.5
Advanced economies ¹	296	334	417	455	475	499	523	53.2	4.9	4.9	2.4
Emerging economies ¹	139	193	256	344	408	441	460	46.8	8.2	4.3	5.0
By UNWTO regions:											
Europe	261.5	304.0	385.0	440.7	461.7	474.8	504.0	51.3	2.8	6.2	2.3
Northern Europe	28.6	35.8	43.4	56.1	56.0	56.1	59.3	6.0	0.2	5.6	0.9
Western Europe	108.6	112.2	139.7	141.7	148.5	153.8	159.0	16.2	3.6	3.4	1.9
Central/Eastern Europe	33.9	58.1	69.3	90.4	92.6	95.7	103.5	10.5	3.3	8.1	2.3
Southern/Medit. Eu.	90.3	98.0	132.6	152.5	164.5	169.1	182.2	18.5	2.8	7.7	3.0
- of which EU-27	230.1	265.9	323.7	352.4	356.8	364.9	385.0	39.2	2.3	5.5	1.5
Asia and the Pacific	55.8	82.0	110.1	153.6	181.1	204.4	217.0	22.1	12.9	6.1	5.9
North-East Asia	26.4	41.3	56.3	85.9	98.0	111.5	115.8	11.8	13.8	3.8	5.1
South-East Asia	21.2	28.4	36.1	48.5	62.1	69.9	77.2	7.8	12.5	10.4	8.0
Oceania	5.2	8.1	9.6	11.0	10.9	11.6	11.7	1.2	6.1	0.9	1.0
South Asia	3.1	4.2	6.1	8.1	10.1	11.5	12.4	1.3	13.6	8.0	7.2
Americas	92.8	109.0	128.2	133.3	141.7	150.7	156.6	15.9	6.4	3.9	2.7
North America	71.7	80.7	91.5	89.9	93.0	99.2	101.7	10.3	6.6	2.5	2.1
Caribbean	11.4	14.0	17.1	18.8	19.6	20.0	20.8	2.1	2.2	3.9	1.7
Central America	1.9	2.6	4.3	6.3	7.6	7.9	8.3	0.8	3.9	4.8	4.7
South America	7.7	11.7	15.3	18.3	21.4	23.6	25.8	2.6	10.0	9.4	5.8
Africa	14.8	18.8	26.2	34.8	45.9	49.7	50.2	5.1	8.5	0.9	6.3
North Africa	8.4	7.3	10.2	13.9	17.6	18.8	17.1	1.7	6.7	-9.1	3.5
Subsaharan Africa	6.4	11.5	16.0	20.9	28.3	31.0	33.1	3.4	9.6	6.9	7.9
Middle East	9.6	13.7	24.1	36.3	52.8	60.3	55.4	5.6	14.2	-8.0	7.3

Source: UNWTO, 2012

Table 3. Azerbaijan's international tourism arrivals and receipts

Destinations	Series ¹	International Tourist Arrivals					International Tourism Receipts				
		('000)			Change (%)		Share (%)		(\$ million)		Share (%)
		2009	2010	2011*	10/09	11*/10	2011*	2009	2010	2011*	2011*
Azerbaijan	TF	1,005	1,280	1,562	27.4	22.0	0.7	363	621	1,287	0.4

Source: UNWTO, 2012



Town Tourism at the Black Sea Coast

Marine PRIKHODKO

mariprikhodko@gmail.com

International Black Sea University

Georgia

Abstract

Tourism is has a great importance nowadays. Scientists study tourism issues while researching economy, infrastructure and environment of a country. There are several internal and external factors which influence on city appearance, cultural inheritance and nature.

The cities which have income from tourism service can be divided by economic or cultural tourism. In my thesis, I try to explore a nature of small town tourism, the factors that attract tourists to small towns, tourism management structure, what is the most popular place to stay – hotel/hostel or guesthouses etc.

There are three varieties of small towns:

- Towns that are characterized by unique charm and image;
- Towns with strong socio-economic level, with various shopping centers;
- Big cities which contain huge entertaining centers, museums, theatres, cinemas, universities, disco etc.

While resting tourist visit different places, like:

- Historical places;
- Galleries, theatres, museums;
- Cultural events, festivals and bazars;
- Ethnical communities;
- Architectural and archeological treasure;
- National parks.

I discuss all above mentioned topics, while giving practical examples and best practices for each direction.

Tourism is has a great importance nowadays. Scientists study tourism issues while researching economy, infrastructure and environment of a country. There are several internal and external factors, which influence on city appearance, cultural inheritance and nature.

The cities which, have income from tourism service, can be divided by economic or cultural tourism. In my thesis, I try to explore a nature of small town tourism, the factors that attract tourists to small towns, tourism management structure, what is the most popular place to stay – hotel/hostel or guesthouses etc.

Georgia is a country with ancient history and original unique culture. The country history is a long list of rises and downfalls of empires, intrusions of external enemies, violence and wars. But at the same time, this country has a huge cultural heritage.

Georgia is a unique country possessing enormous tourism potential. Extended along the Black Sea coast, it has about 300 mountain (Abastumani, Bakuriani, Bahmaro, Gudauri, etc.), seaside (Kobuleti, Ureki, Batumi, and etc.), balneotherapeutic and mud (Borzhom, Sairme, Likani, and etc.) health resorts, over 10 thousand monuments of archeology, history, architecture and art, and also numerous

nature sanctuaries. And all these, is concentrated within the small territory occupied by the hospitable and distinctive people.

Tourism can be the economic lifeblood for some small towns, and communities pursuing tourism should consider two concepts: (1) the tangible and (2) the intangible. First, the physical assets—the practical organizational structures and visual impact of their attractions—are critical. Second, the intangible dimension of tourism—the incentives that inspire people to pack their bags, travel for several hours, and spend hundreds of dollars—ultimately determines the success of tourism investments.

These small towns are divided into four groups:

1. Recreation or retirement destinations or adjacent to an abundance of natural assets
2. Have historic downtowns or prominent cultural or heritage assets
3. Have or are adjacent to a college campus
4. Adjacent to a metropolitan area or an interstate highway (2)

Using both analytical and descriptive approaches, Lambe (2008) examines broad, over- all economic development issues, and, of these, a variety of strategies seems to work best. A long-term community development approach with residents and leaders committed to a vision or plan usually works better than short-term approaches. Successful towns find a balance between short-term economic gains and long-term community development goals. Tourism is both a long- and short-term strategy. The evolution of powerful tourist towns comes from recognition of, or the creation of, a natural or comparative advantage.

It is difficult to capture and measure tourism opportunities due to the diversity of programs available for tourism-related economic development. Our analysis focuses exclusively on tourism based on information from town tourism websites, city-data websites, or business websites. The magazine used its travel-writer resources to select and explore towns based on the following criteria:

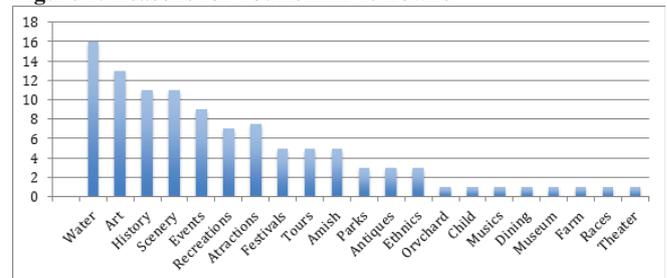
- Attractions – What will bring people to the area?
- Vibe – What is the exciting thing(s) about the area?
- Scenery – What is special about the place and environment?
- Walkability – How easy is it to get around?
- Shopping – Are there gift shops? Antiques? Furniture shops?
- Dining – What is the uniqueness or quality of dining in the area?
- Lodging – Are there bed and breakfasts? How many motels/hotels?
- Art Scene – What kind of creative arts are in the area?
- Outdoor Activities – Kayaking? Bike riding? Horseshoe pits? Tennis? Walking paths? Water skiing? Snowmobiles?
- Proximity – How close are you to a major city?
- Multi-Day Potential – What collection of activities will appeal to visitors?
- Wild-Card Special Events – Are there any special events such as a festival?

Reasons Why People Visit Tourist Towns?

The 12 considerations listed by Midwest Living are broad enough to capture the most important appeals to tourists (Figure 1), and the communities included in this analysis show the significance of several attractions. The Midwest Living study identified the three top reasons why people go to the town, and we grouped each reason, whether ranked as #1, #2, or #3, into a single category and recorded the total number of occurrences for that reason. (Numbers

in parenthesis after the towns are the rank determined by the magazine.) No consistent correlation is found between the total number of events and the ranking of the successful small towns tourism. Some with a small number of events rank very high, presumably because there is a dominant, highly attractive reason for choosing that town. Other highly ranked towns may succeed simply because they offer more interesting choices to tourists:

Figure 1. Reasons for Tourism in 40 Towns



1. Water – 40% of the towns attracted visitors because of their location on lakes or rivers. A connection to water encourages a wide variety of tourist experiences. For example, the community of Leland, Michigan (#12), on the Leelanau Peninsula (east side of Lake Michigan) is called “Fishtown.” Tourists go there mainly to fish and participate in other water-related sports.

2. Art –In most cases, however, art tends to follow other tourism attractions. Artists—painters, glassblowers, sculptors, theatre performers, photographers, and others—supply much of the tourist attraction to top tourist towns. Nashville, Indiana (#6) is mainly an art community surrounded by restaurants, craft stores, gift shops, bookstores, and other tourist-friendly attractions.

The arts has the additional possible advantage of attracting or retaining skilled professionals to an area. In any event, artists and art galleries add an important dimension to tourism appeal 1 and are something that more communities may want to highlight in their tourism marketing materials. In most other successful tourism communities, the arts play a strong supporting role in the tourist message.

3. Scenery – Batumi and Kobuleti emphasizes scenery and encourages visitors to participate in hiking and biking through the parks and trails.

4. History – The history of a community, perhaps the most under-estimated tourism attraction, held a more prominent position in the analysis than initially expected. The comparison of communities revealed a surprising degree of tourism interest in historical facts. People like to hear stories of local historical figures and the architectural record found in its bricks and mortar as well as the “educational” experience of discovering new and interesting facts.

Another important interest for tourists is a desire for novelty information. People like to learn new information and skills. Many towns in this study have historical buildings

and houses that provide additional attractions for travelers. Architecture as an art form appeals to many tourists because of the combined natural interest with traditional living spaces. Consequently, guided tours through homes, museums, and historical places have a powerful appeal. Thirty-eight sample towns reported some form of tour to expand the visitors' experiences in their communities. Unfortunately, all too often, local attractions are taken for granted and overlooked in marketing materials.

5. Shops & Sales – It is almost universally true that tourists who are compelled to travel to a different and distant town for a multitude of reasons also find time to shop. In some cases, the shops are of such variety or quality that they have become the attraction. Galena, Illinois for example, with 3,302 people, showcases eight antique shops and 13 art galleries. It has 64 other retail stores to encourage spending by tourists.

6. Attractions, Events, and Recreational Opportunities – These three tourism categories are designed specifically to attract people to the area. Broadly generalized, the effort and expense that communities devote to these enterprises encourage visitors, and the towns where residents create more excitement, activity, and “new-experience buzz” attract more tourists. All tourist towns create events to expand visitors' experiences with many involving unique events (such as bed racing in Custer, South Dakota [#17];

Others hold more traditional events with a broad appeal, but they are repeated often. Fireworks draw a crowd. When someone beats on a drum and the brass band marches through the streets, people turn toward the action. Tourism creates opportunities to look, to laugh, to play, to participate, and to create the memories that cause visitors to return.

7. Ethnic Attractions – The Amish connection is considered separately in this analysis because the Midwest has several communities with a large Amish population. The presence of Amish provides a powerful tourist attraction (five of the 40 towns studied were 12.5% Amish). The large availability of crafts and locally made goods attracts many tourists, but other towns also emphasized their ethnic roots as a major tourist attraction. Together, the Amish and other ethnic attractions increased the ranking of those towns above those displaying only attractions, events, and recreational opportunities.

In places such as Leland, Michigan, with its ethnic heritage, this attribute did not rank among the top three reasons for visits. Still, ethnic heritage may have encouraged tourism. The lesson is that the unique character of a community and its residents may be more of an attraction than many activities specifically created to lure tourists.

8. Festivals – Festivals attract tourists and can provide an economic stimulus even for a short duration. In 38 of the 40 towns studied, which had festivals, the average number per town was 3.3 per year, although no information was available regarding attendance and economic impact.

Food events frequently occur in connection with other activities and festivals, including chili and barbeque cook-off competitions as in Arthur, Illinois, which also holds an annual Cheese Festival and a Strawberry Jam Festival.

9. Antiques – Many people like antiques. Thirty-eight of the tourism communities in the sample had an average of 3.5 antique stores. Antique stores often combine easily with marketing approaches that emphasize ethnic heritages. Also, antiques can be promoted regionally to build a destination location for tourists.

10. Wineries – Wineries promote tourism, enhancing the attractiveness of communities, and they are growing in popularity. Communities can benefit from being listed on “wine trails,” even though several towns on the trail did not make the top 100 list. Wine as a tourist attraction needs further study to determine its impact as an attraction to tourists. In this analysis, 28 of the towns had an average of 1.1 wineries but, as with antiques, this attraction may be regional; and in areas such as southern Illinois, wine trails are very popular. Some wineries connect the influence of their tourism attraction with events sponsored by local bed and breakfasts. And some wineries have their own music or entertainment venue.

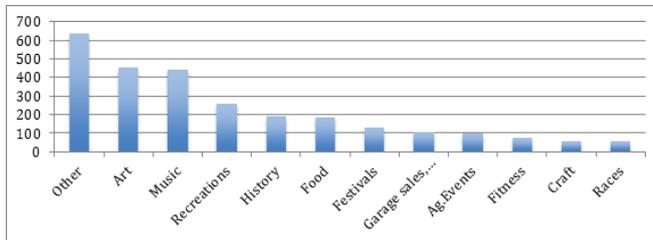
11. Getaway, Children Events, Music, Dining, Museums, Farm-Related Events, Races, and Theatre – These tourism temptations appeal strongly to various clusters of tourists. They usually occur in combination with other tourism attractions or motivations, providing additional reasons to select one place over another. Each of them in one way or another produced enough of a response to earn a place among the top three reasons to visit one or two towns in the Midwest Living report. Most agricultural events were “farmer's markets.” Lake Geneva, Wisconsin promotes a “dress up and do farm work,” akin to Laura Ingalls Wilder's Little House on the Prairie. Towns feature events such as car, boat, bicycle, or running races.

12. Bundling – Research also shows that “bundling” events enhances their appeal to tourists. Attendance increases when a major event is combined with other offerings such as art, music, food and wine, cultural attractions, and theatre. Successful tourist towns often have live theatre as part of the mix. In this study, 32 towns had a venue for the performing arts. The human psyche seems to respond to storytelling and to the art and skill of performers. In some small towns, such as Sullivan, Illinois, a live theatre is the main attraction. Residents in Ephraim, Wisconsin enhanced their water-related attractions with 15 art galleries, four antique shops, 16 retail stores, and three museums.

Art, music, and recreational events rank high among the events that appeal to tourists. In other cases, music and the performing arts capture tourists' attention. In 35 of the 40 tourist towns studied, music and art played an important role in tourism. The towns provide no information on the total number or the proportion of visitors who attended the various events. Also missing in this analysis are measures

of the quality of the events, their promotion efforts, and the length of time for which they have been held.

Figure 2. Website-Advertised Events for 40 Communities Studied



It can be concluded, however, that people seeking a diversion or a break from work tend to gravitate toward art, music, and recreational opportunities. Quite often, festivals incorporate both art and music, which appeals to large numbers of people.

Conclusions

Tourism helps small towns by promoting businesses, which results in an improved quality of life and may generate significant income. Most families, especially Baby Boomers, see travel as a necessity, even in hard times. Distance and length of stay may change, but they find ways to get away. Small towns can provide that getaway, especially those near large population areas.

Tourism tends to be evolutionary, starting small with one or two individuals creating the attraction. When those attractions bring people to the area, expanding the tourist experience involves lodging, food, recreational opportunities, and entertainment offerings. The presence of natural attractions, such as large bodies of water, rivers, and natural scenic beauty, provides sustainable tourism attractions.

The number of events does not always correlate with the ranking of towns; however, the number of events may affect the number of tourists. Unfortunately, tourist counts per town were not available for this study. Art, music, and recreation events seem very important and can highlight local talent. Other popular events include historical and educational tours, food events, races, and festivals.

Small town leaders who want to promote tourism must use their imaginations. The strategies are two-fold: invent attractions and broadly appealing activities; and design a message about those attractions, addressing individual emotional and psycho- logical needs. Small towns become tourist destinations for several reasons. Successful tourism depends on analyzing and understanding the marketing motivations of a target audience. The Baby Boomer and Generation X groups make up the largest number of travelers. They also tend to spend the most money.

Small towns that create inspiring dreams will succeed. Those blessed with natural, scenic attractions

have an advantage; however, research shows that many variables—tangible and intangible—shape a community's ability to attract tourists. While communities may seek several paths to future prosperity, tourism offers a significant opportunity that should not be ignored.

Reference

Tourism Management Diploma Program, standardized core curriculum HandBook 2007

Hospitality and Tourism Management, In the College of Professional Studies and Fine Arts, SDSU General Catalog 2009-2010

http://www.iira.org/pubs/publications/IIRA_RRR_739.pdf

http://www.fernleynews.com/online_library/BizIdeaBooklet.pdf

<http://ruraltourismmarketing.com/2012/08/rural-tourism-for-your-small-town-yes-you-can/>

www.georgia.travel

www.dotr.gov.ge



The Development Perspectives of Regional Tourism in Azerbaijan, Georgia and Turkey

Rasim ABUTALIBOV

*PhD, Assoc. Prof. of Business Administration Department,
Faculty of Economic and Administrative Sciences
Qafqaz University, Azerbaijan
rabutalibov@qu.edu.az*

Abstract

In last 20 years Azerbaijan Republic has realized several bilateral and multilateral regional and international projects with Turkiye and Georgia and continuous the realization of such projects. The realized projects were mainly in energy sector. One of these projects was Baku-Tbilisi-Ceyhan oil pipeline. These projects led to strengthening the trade and strategic relations among our countries.

Recently multilateral contract was signed for building Baku-Tbilisi-Qars railway line which is very important for our countries and its completion is expected due these several years. Notwithstanding this project plays great role in the development of trade, it will also touch the development of tourism among our countries.

Thus, in Azerbaijan, Georgia and Turkiye there is suitable condition for the development of tourism. Taking into consideration the fact that the price for air plane tickets is expensive and not everybody can afford buying air plane tickets, automobile transportation is tiresome and it takes a lot of time, do not let to use the touristic potential fully. Realization of this railway project will help to develop the tourism among our countries.

The role of tourism agencies in the development of regional tourism is great. Hence, to deliver the tourism potential to the population and organize some tours are directly dependent on them. Common citizens sometimes don't know how to rest. There are many places of interest to travel and to see, that is why the regional travel agencies must organize such tours. Of course the government must also take actions in relation to tourism.

Key words: Baku-Tbilisi-Qars railway, tourism, regional tourism, Azerbaijan, Turkiye, Georgia.

Introduction

The progress of economical, political and cultural relationships among Azerbaijan, Georgia and Turkiye did not pass by tourism sector. Thus, there exist rich natural resources and geographical position. From touristic socio-economic point of view there are strong opportunities to impact the regions and because of development of tourism thousands of vacancies will be opened, communication systems will be developed and the welfare of nations will be enhanced in all three countries.

To provide the sustainable economic development together with non-oil sector is the main duty of our country. Numerous researches show that tourism takes first place among non-oil sectors because of its perspectives. Currently tourism is fast growing industry in the world.

Over the world 10% of GDP, 8% of export fall on international tourism, and one third of services have been carried out by international tourism. 8.1% of world population work in tourism or in tourism related industries.

The development of tourism in the region has the stimulating effect on different sectors of the economy, especially on transportation, communication and trade.

In order to enhance the tourism potential in the region, one of the main factors is the development perspective of different transportation types in transportation market in relation to increasing the transit potential of the region. At the same time, the factors such as convenient climate and geographical conditions, mineral waters, scenery exotics, and historical and cultural monuments play significant role in the development of tourism in the region. Many regions are rich of mineral and thermal water which is an important factor in forming resort-sanatorium complexes.

1. The Current Situation of Tourism in Azerbaijan Republic

Azerbaijan Republic like any other post soviet countries faced several socio-economic problems. All these processes of course affected the tourism and cultural sector. But the realized socio-economic projects since 1995 strengthened the development trend in the economy. Lately attention to cultural and tourism sector was increased.

Azerbaijan which is rich of cultural-historical and convenient natural conditions has great development perspective in tourism. There are wide opportunities for the development of most tourism forms (ecotourism, medical,

cultural, sport, religious and etc.) in our country.

Tourism business is considered to be one of the main factors in attracting foreign currency to the country budget. One of the notable case that in 2012 the number of tourists visiting Azerbaijan overpassed 2 million. As the result of realized complex works, the number of tourists increase every year, the network of tourism enterprises become wide. Currently in our Republic 141 tourism enterprises operate and in comparison with 2002 the number increase three fold.⁴ It shows that, lately attention of tourists towards our country increased.¹

Currently tourism business in our country moved to its growth stage. The State Program for the tourism development between 2010-2014 was signed in order to provide sustainable development of tourism in Azerbaijan Republic.

In Azerbaijan regions Guba-Khacmaz, Sheki-Zagatala and Mountaneous Shirvan tourism sector is considered more adequate to be developed for tourism sector. Winter tourism in Khacmaz and mountaneous tourism in Shirvan is considered adequate.

According to Mrs. Vera Kobaliya the Minister for Economic and Sustainable Development in Georgia, Georgia offers for Azerbaijani investors lands for free and no tax for 15 years in the shores of the Black Sea. At the same time, Georgian Government takes the realization of communication and infrastructure projects on herself. According to Minister, currently the interest of tourists to Georgia is increasing, and there is deficit in the number of beds and that is why such kind of offer can be interesting for Azerbaijani entrepreneurs.

But taking into consideration Türkiye's experience in tourism sector, such projects should be realized in tripartite. For this purpose, the experiences of Antalya, Alanya, Kemer, Istanbul can be used.

The following actions should be taken in order to realize the joint tourism projects among Azerbaijan-Georgia-Turkiye:

- Establishing joint regional tourism centers and agencies (also joining current operating centers and agencies to this project);
- Preparing tripartite regional tourism development concept, defining tourism areas and including into the project;
- Realizing promotional activities in all three countries in order to develop tourism in the regions and attract tourists, preparing internet sites, preparing commercial videos, brochures, catalogs (this should include brochures, internet sites and commercial videos reflecting all three countries potential);
- Joining local touristic agencies to this project, organizing touristic routes (holding discount campaigns by agencies);
- Redevelopment of infrastructures (highways, bridges, etc.) especially tourism markets;

- Training the personnel and developing the opportunities in communicating in foreign languages (english, russian, etc.) and teaching them local languages (turkish, georgian and azerbaijani);
- Increasing the level cultural service of employees in tourism sector and giving them trainings by experts;
- Establishing healthy tourism environment in the regions and adjusting the pricing in tourism enterprises;
- Protecting natural environment, fauna and flora in relation to the development of tourism;
- Simplifying the visa regime for tripartite country and foreign tourists (for example, Azerbaijan Republic started online visa procedures for tourists);
- Establishing and developing the regional medical tourism centers;
- Protecting the sea water purification in sea tourism development;
- Protecting the historical monuments and developing national craftsmanship;
- Developing mountaneous and forest tourism and organizing excursions;
- Providing the investment environment and speeding up the establishment of hotels in the regions;

Conclusion

Generally, the problems in cultural and tourism sector occur because the resources in this sector are less researched and the capital investment is not adequate. Each region has its own unique tourism potential and if this potential is efficiently used the difference among regions will disappear which will lead to widening the relationships among regions either internally or externally.

The future development of tourism will be possible especially with reconstructing the cultural centers and thus leading to attracting tourists. Taking into consideration these problems establishing new structure in cultural and tourism sector for the regions is important issue.

References

- «Azərbaycan Respublikasında 2010 — 2014-cü illərdə turizmin inkişafına dair Dövlət Proqramı»
- Abutalıbov R.R. “Azərbaycan Respublikasının sosial-iqtisadi inkişafında turizmin rolu”, “Turizm və rekreasiya: problemlər və perspektivlər” birinci respublika konfransının materialları, Bakı, “Mütərcim”. 2007, səh.25-29
- Rasim Abutalıbov, “Azərbaycan Respublikasında Turizmin inkişafında ictimaiyyətlə əlaqələrin rolu” I Bakı Beynəlxalq Elmi-Praktiki Konfransı, “Reklam mədəniyyəti, reallıqlar və perspektivlər. Reklam və marketinq məsələlərinə müasir baxış, Bakı-2012

<http://www.stat.gov.az/source/tourism/>

Significance of Social Media Marketing in Tourism

Charita JASHI

*Professor of Tbilisi State University
Georgia*

Abstract

The article explores how information and communication technology is changing marketing of tourism. Using the social media marketing instruments for promoting tourism industry in Georgia market is obviously increasing. Social media marketing is the way for companies for getting close to consumers. According to the International Tourist Research Centers 88% of representatives of tourism business are actively used social media and 70% of consumers trust of recommendation given by social networks. Social media marketing can also be helpful in understanding the attitudes of customers. Tourism is one of the main priority of Georgian industry, where a number of activities were provided for supporting tourism development in the country. At the same time, the value of social media marketing in tourism business is not well recognized yet. There's lack of investigation about the impact of social media marketing on tourist behavior in the country. You can find websites and blogs on tourism, but it is rather difficult to obtain effective analytical articles on tourism in the virtual space. It is urgent to involve representatives of academic sphere, to prepare attractive materials for tourists. Social network consumer has opportunity to share opinions with million consumers about tourism destinations, service quality. Why is important to analyze the knowledge of tourist consumer behavior for promoting tourism business activity. Social media should be integrated into marketing mix and lead customers to the useful and right direction.

Keywords: social media marketing, tourism, attitudes of customers, knowledge, service quality.

Significance of Social Media Marketing in Tourism

One of the most competitive fields of Service sector is tourism industry, which requires effective management of natural, financial and human resources existing in country. For developing tourism industry in any country is therefore important to provide relevant Infrastructure, improve service quality and increase of customer satisfaction. The essence of successful marketing is to provide sufficient value to gain loyal, long-term customers. There are different types of instruments in marketing, which aims to achieve of customer satisfaction and loyalty. Social media is a crucial tool for success in business today. People are already talking about the business using social media, companies could establish good relations directly to the customers. Use of the internet for booking tends to be higher in countries that have high internet penetration levels and usage of credit cards, especial in the USA and UK. But the highest levels, interestingly, can be found in some smaller Travel and Tourism markets such as Scandinavia (65% and higher) and Australia. Globally, different estimates suggest that more than 50% of leisure trips and 40% of business trips are booked online. By 2014, over 3 billion of the world's adult population will be able to transact electronically via mobile or internet technology with a 90% mobile penetration rate

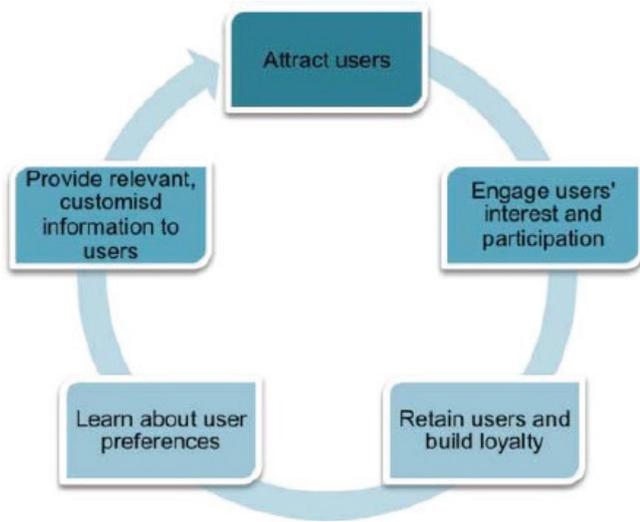
and 6.5 billion mobile connections. (Travel and Tourism, World Travel Tourism Council in 2011)

Social media refers the activities of different customers in the society, gathering and sharing online information and knowledge. Marketers know that theoretically, social media should be a powerful way to generate sustainable, positive word-of-mouth marketing. It is very important that marketers select the right social media platform, design the right message and engage the right users to spread that message for implementing successful campaign. Tourism review team works daily with a number of collaborative media for tourism industry and attracting millions visitors from different countries. Facebook, Twitter, YouTube, Podcasts and travelshake are the best known and effective social media networks for marketing in tourism and hospitality industry.

The impact and usage of social media marketing strategies are very crucial for satisfying tourist demand in the global world. The creation and accessibility of internet space has radically changed tourists motivation to plan and book trips with different destination. Companies grow their confidence and familiarity with the social web to receive all successful information from researching travel on websites

or social networks.

To access new information technology now is very easy and this has radically altered the way in which information is created and disseminated. Accordingly, marketers have possibility to use social media to stimulate and encourage interaction of customers to facilitate developing awareness of tourists in through the country.



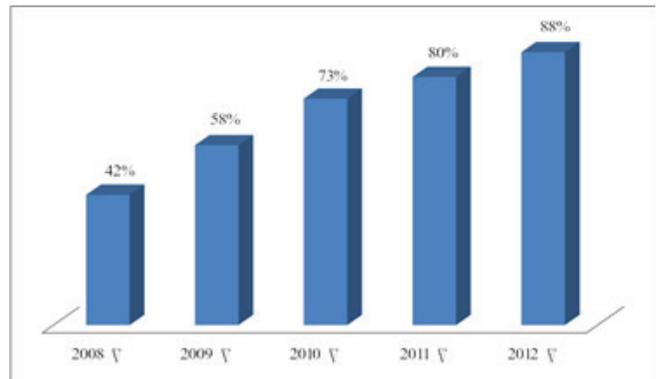
Picture 1. A cycle of key steps for successful social media marketing, adapted from Gretzel et al.,2000:148.

One of the advantage of social media, which is particular important for small sizes business, reduces administrative costs. Social media became as an integral part of the path leading the visitors to find exactly what they are looking for, and making the tourist destination a perfect fit. Social media integrated into marketing mix for two purposes:

- Social media leads visitors and customers to the right travel information;
- Tourist company providing personalize messages and content directly interested segment of customers.

The tourism and hospitality industry is turning to social media to engage customers in a more personal way. Almost two-thirds of travel companies plan to increase their social media marketing budgets. social media using marketing instruments for business development.

Increasing companies involvement in social media and statistics in this field are very impressive:



Picture2: Social media in the marketing mix: budgeting for 2011 www. Emarketer.com

Social media and Tourism industry Statistics in 2012 have highlighted increasing role of social medias:

- 40% of online travelers visit social networking sites to influence destination selection
- 87% said reviews impacted hotel choice
- 84% said reviews impacted method of travel
- 78% said reviews impacted choice of dining
- 70% of consumers trust online recommendations while only 14% trust advertisements
- 50% of blog readers read travel blogs
- 57% of travel-related website visitors read traveler-written reviews

Tourists are not only differ in their motivation, but also their ability to take advantage of social media. The impacts of changing behavior of customers in tourism industry are very high and the customers have passing five stages of social media marketing:

- Inactive - customers are not involved in social nets and are passive;
- Spectator- customers are only observer and sharing the idea;
- Joiner – customers registered in the nets, but are very passive;
- Critical - active involved and sharing the ideas;
- Creator –customers are making blogs themselves.

Tourism Review team has very important role to attract new visitors, which are ready to create a unique set of articles and submit them to tourism related article directories. As a result hundreds of thematic and highly relevant one-way back links will dramatically increase search engine rankings in the leading search engines such as Google or Yahoo and result in free targeted traffic to website of consumers. Trip Advisor enjoy the patronage of millions

of users from around the globe who have helped create one of the strongest travel communities on the internet.

The demographical diversity of the users is a huge advantage which has been leveraged in the past with the success of travel trends and surveys. Most of social bookmarking services support internet users to organize their bookmarks with informal tags such as tourism, travel, marketing etc. Such tags in fact promote your travel business and make it much more visible and searchable by search engines.

With the continuous growth of social media, researchers must find ways to better explain the phenomenon and generate insights for practitioners who are keen to engage and connect with travelers within and beyond these.

Patricia Brusha (hospitality.net) says there are 5 distinct types of social users: the Butterfly, the Selective, the Connected, the Starter and the New Norm. This is a good start to understanding social behavior and creating your online social media travel marketing strategy.

Three factors should be considered while using social media in tourism :

- Customer Influence Effect, which measures the influence a social media user has on other users in the network;
- Customer Influence Value, which helps measure the monetary gain or loss realized by a company in social marketing campaigns by accounting for an individual's influence on purchases by other customers and prospects
- Stickiness Index, which helps identify social media users who actively discuss the company's product or service category;¹.

The most obvious way that social media has changed consumer behavior is just by giving customers a bigger voice than they've ever had before.

Tourism is one of the main priority of Georgian industry, where a number of activities were provided for supporting tourism development in the country. Travel and tourism is a market that is changing shape dramatically in recent years in Georgia. The comparison of growth rates of the world and Georgia shows that in the last five years tourist arrivals in Georgia increased considerably faster than in the whole world. At the same time, the value of social media marketing in tourism business is not well recognized yet. There's lack of investigation about the impact of social media marketing on tourist behavior in the country. You can find websites and blogs on tourism, but it is rather difficult to obtain effective analytical articles on tourism in the virtual space. Article marketing is vital tool for promoting travel destinations, tourism businesses or travel trade events is an essential component of any long term online marketing strategy. Unfortunately there's lack of such information about Georgian tourism destinations

It is urgent to involve representatives of academic sphere, to prepare comprehensive attractive materials for tourists. Social network consumer has opportunity to share opinions with million consumers about tourism destinations, service quality is rather weak.

There's limited research related how service providers perceive and employ social media to influence customer's decision making process. It should be analyzed perceptions regarding social media to influence.

Companies must address a full spectrum of consideration for developing and implementing a new media marketing strategy to promote Georgia tourism and engage travelers online via social media platforms. Undoubtedly, social media currently represent a dynamic online travel information source that can greatly influence travel consumers.

We believe that social media marketing would be strong instrument to forward tourism and hospitality industry in the country.

Endnote

1. Stickiness Index this is the index of the percent of the audience that watched the show, compared to the average for all shows of that length. It is based on work done at Zenith, which showed that viewers who chose to watch more of a program were up to 40% more likely to recall the same ads than people who only watched a little of the show. So, controlling for exposure, people who watch more of a show, are more likely to remember the advertising. If higher recall is important for a brand, then looking at Stickiness is important.

References

- Leungh, D. Perceptions and Strategies of Hospitality and Tourism Practitioners on social media: An exploratory study, 2012
- Gillin P. Secrets of Social Media Marketing: new influencers 2007 P:25-37
- Social media for Tourism, Tutorial, Version 5 Last updated September 2010, p. 2.
- www.manta.com/c/mmc6qnc/nielsen-medical-research, International Journal of Tourism Research 2000,p14
- [www.tourismkeys.ca/blog/tag/social-marketing/Social media for Tourism, Tutorial, Version 5 Last updated September 2010, p.26.;](http://www.tourismkeys.ca/blog/tag/social-marketing/Social%20media%20for%20Tourism,%20Tutorial,%20Version%205%20Last%20updated%20September%202010,%20p.26.;)
- M. McDougall, Making .Social Media Marketing Campaign Accountable, www.sinotechblog.com.cn;
- John Hope-Johnstone, Secrets for Successful Social Media Marketing, 2010,p.27
- Stelzner M. Social Media Marketing Industry Report, White Paper Source ,2011p. 11-12.
- Travel and Tourism , World Travel Tourism Council , 2012

Tourism Online Marketing Workshop with Ms Patricia Brusha, A Couple of Chicks E-Marketing arcres.com/Social-Media-Travel-Marketing.

PhoCus Wright travel research 2010 Com, score tourism research 2010 www.hospitalityupgrade.com

www.stikkymedia.com/.../social-media-and-the-tourism-industry-statistics

[www.tourismkeys.ca/blog/tag/social-marketing/Social media for Tourism, Tutorial, Version 5 Last updated September 2010, p.26.;](http://www.tourismkeys.ca/blog/tag/social-marketing/Social%20media%20for%20Tourism,%20Tutorial,%20Version%205%20Last%20updated%20September%202010,%20p.26.;)

<http://www.tourism-review.com/social-media-marketing-in-tourism-industry-page659#>

www.independent.co.uk. www.tourismkeys.ca/blog/tag/social-marketing/. www.sinotechblog.com.cn

Agro-tourism development and personnel training project in Kakheti-Alvani-Mtatskheta region

T. BERDZENISHVILI

t.berdzenishvili@gtu.ge
Georgian Technical University
Georgia

A. ABESADZE

a.abesadze@gtu.ge
Georgian Technical University
Georgia

M. ARABIDZE

m.arabidze@gtu.ge
Georgian Technical University
Georgia

P. COTOIDZE

p.cotoidze@gtu.ge
Georgian Technical University
Georgia

Abstract

In modern tourist industry new development trends and opportunities are shown up, taking into account national and geographic peculiarities of different countries. At present, all over the world increases the frequency of small groups traveling from central to remote areas. Farmhouse or agro-tourism means tourists accommodation in farm houses for studding farming activities, local traditions and rural cultural life. In Georgia agro-tourism development is especially important for Kakheti-Alvani-Mtatskheta region, which is notable for the beauty of landscapes, cultural-historical and natural attractions, excellent wines, local beer, abundance of unique herbal remedy, high-quality natural health food products and a variety of local cooking. Agro-tourism system is remarkable for that spending holidays is relatively cheap. Hosts serve guests as waiters and cooks. Visitors try, enjoy, and taste domestic cheese, smoked pork (so called lori), fresh boiled goat ling or lamb, as well as drink local wines. Language communications make problem neither for hosts nor for guests. The main motivation of rural tourism is cheap relaxation, clean and pleasant environment, though with less comfort. Any kind of tourism including agro-tourism requires detailed planning and effective management. For the development of agro-tourism is necessary to develop appropriate infrastructure in selected villages and the training/retraining of village and rural officials in issues of tourism-related services.

In modern tourist industry new development trends and opportunities are shown up, taking into account national and geographic peculiarities of different countries. At present, all over the world increases the frequency of small groups traveling from central to remote areas. Farmhouse or agro-tourism means tourists accommodation in farm houses for studding farming activities, local traditions and rural cultural life.

In Georgia agro-tourism development is especially important for Kakheti-Alvani-Mtatskheta region, which is notable for the beauty of landscapes, cultural-historical and natural attractions, excellent wines, local beer, abundance of unique herbal remedy, high-quality natural health food products, and a variety of local cooking.

Ethnic and cultural peculiarity of Tusheti, unlike other traditional cultures, is mainly due to the historically developed specific economic system – that is integration of nomadic sheep farming, animal husbandry, and agriculture.

Nomadic sheep farming, a traditional sphere of employment of Tushi men, played a major role in the formation of ethno-psychological and worldly peculiarity of Tushis. Tolerances, peace of mind, and adherence to the traditions of hospitality are the most vivid mental qualities

of Tushis.

As a result of a long natural selection in complex geographical and natural conditions as well as by nomadic sheep farming there were nurtured local Tushi breeds of sheep, sheep dog, and horse.

Shepherds passed from generation to generation and still keep the secret of goat cheese making technology. Tushi sheep cheese called «Gudis Kweli» (cheese in a bag), is prepared in a specially treated bags made of sheep skins, which gives the cheese a distinctive taste.

Traditionally Tushi women are responsible for the livestock care and household. They are skilled in processing of sheep wool and knitting. Fans of folk Art much appreciate Tushino rugs made with distinctive geometrical shapes and colors. Party-colored socks, knitted shoes, and fleece hats are also popular among tourists.

Tusheti is famous for its beautiful alpine meadows and well-preserved pine forests, for majestic Caucasus peaks Tebulo Caucasus (4492 m), Diklo (4285 m), and Borbalo (3294 m).

Most of Tusheti forests are practically savage ones.

Some dwellers of Tusheti forests (e. g. wolf, lynx, chamois) are representatives of Caucasian endemics at subspecies level, and some of them at the species level (e. g. East Caucasian goat). Should be mentioned also so called niamori (kind of Caucasian goats) and the Asian leopard. Representative of Caucasian endemic birds is Caucasian grouse, are found also snow cock, pheasant, etc.

In Tusheti still are found monuments of unique cultural heritage, such as oldest housings, folk needlework patterns, household appliances. Here, the historical and cultural landscape is living with traditions and customs of population.

Tusheti is entirely located at the main Caucasian ridge on 1650-4493 m above sea level. Villages are located on 1900-2500 m above sea level. The average winter temperature is -13-15 degrees, 14-15 degrees in the summer. Snow cover lasts for 5-6 months.



Tusheti village

There are quite a lot of mineral water springs in Tusheti. Its territory characterized by a variety of flora, by many endemic and ancient relict species, there are many berries and other forest fruits in forests.

In Tusheti discovered archaeological materials that confirm the presence of the oldest settlements of the Late Bronze and Early Iron Ages.

The administrative center of Tusheti is village Omalo. Below is given a list of services for tourists, which are provided by the hotel «Keselo» in Omalo. These types of services are typical for this region.

- The owner offers to guest take part in preparation and tasting of traditional Tushi dishes.

- In the daily service are provided lodging, three meals a day, and trips on horseback.

- Basic foods are local and organic (dairy products, meats, and vegetables).

- Exhibition and sale of local handicrafts.

- Ethnographic Museum and hiking sightseeing.

- Night bonfire in the courtyard.

- Number of rooms: 6 double bedrooms, a kitchen, a

veranda on the second floor, and two bathrooms.

- Prices: room for one day - 20 GEL, one day room with three meals a day - 50 GEL, hire a horse for a day - 35 GEL, guide service - 35 GEL.

- At the same time it's possible to serve 12 persons.

The system of traditional settlement of Tusheti, in terms of ecology, aesthetics, defense, and economics, is a valuable model of the harmonic co-existence and development of the natural and anthropogenic environment. Villages and fortresses built by the local slate stone are high landscape value of the natural environment.

Agro-tourism system is remarkable for that spending holidays is relatively cheap. Hosts serve guests as waiters and cooks. Visitors try, enjoy, and taste domestic cheese, smoked pork (so called lori), fresh boiled goat ling or lamb, as well as drink local wines. Language communications make problem neither for hosts nor for guests. The main motivation of rural tourism is cheap relaxation, clean and pleasant environment, though with less comfort.

Any kind of tourism including agro-tourism requires detailed planning and effective management. For the development of agro-tourism is necessary to develop appropriate infrastructure in selected villages and the training/retraining of village and rural officials in issues of tourism-related services.

Industrial Innovation and Operational Management Department of the Georgian Technical University together with the local Governor Department of Upper and Lower Alvani has the intention to develop agro-tourism business project, which will be discussed as the subjects of region's farmer development, as well as medium and low-level staff training issues for tourist serving.



Hotel «Keselo» in Omalo



Using Visitor Expenditure Surveys to Assess the Impact of Tourism on the Economy: Possibilities and Limitations

Teresa SKALSKA

*Ph. D., Warsaw School of Tourism & Hospitality Management
Poland*

Abstract

The paper addresses the problem of how to estimate the tourism demand and what are the possibilities to use visitor expenditure surveys to assess the impact of tourism on the economy of the country or the region, how to use the results of expenditure surveys for marketing purposes, to estimate part of the balance of payments, for international reporting and analysis, and for the tourism satellite account. The study highlights the vital importance the Institute of Tourism in Warsaw has played in this field of research. Other important elements of a comprehensive account of permitting an assessment of the impact of tourism on the economy were discussed; the importance of “leakage” of new money out of the region was highlighted. Number of restrictions and obstacles in the process of implementation of research and interpretation of the results were also pointed out.

1. Importance of the issue

Growing interest in the economic impact of tourism on the economy has been observed both at the national level and – increasingly – with regard to regions. It is also an international phenomenon. Even though Polish studies of national economic effects of tourism date back several decades, interest in the matter from the point of view of regions is relatively new. It is comprehensible and justified to attach importance to the disaggregation of the economic impacts of tourism to the regional level: it is regions where decisions on economic development orientations are made and it is regions that directly experience all the effects of developments on the tourism market; it is also regions that are in need of tools facilitating the monitoring of the aforementioned phenomena. Therefore, the results of estimated economic impacts of tourism are of value both to the national authorities, seeking to assess its significance and compare it with other fields of economic activity and to regional and local authorities, interested in similar developments, but on a smaller scale. The most measurable effect, even if frequently difficult to estimate with accuracy, is the fact that new demand emerges and new capital flows into the region (and/or local capital is retained). As a consequence – equally obvious, as it seems – there is an opportunity to create jobs, which in turn boosts incomes and tax revenues of local budgets. Tourism fuels the economy, stimulates additional business activity, mobilises other sectors (e.g. construction, industry, agriculture, services), influences the real estate market, drives the development of infrastructure .

The strength of the stimulating impact of tourism demand on the establishment of new economic operators and/or on the business expansion of existing enterprises undoubtedly depends on a variety of factors, including the size and structure of tourist traffic, its dynamics, links of tourism businesses with local enterprises operating in other industries, the degree of market saturation, possible externalities (for instance, exceeding the tourism capacity of the region concerned, environmental pollution, various nuisances to the local community).

All the above-mentioned effects need to be examined also empirically rather than merely theoretically since necessary data cannot always be easily taken from economic reports and accounts, for the following reasons: (1) tourism is not a homogenous type of economy activity constituting a separate category in the national accounts, (2) the possibility to disaggregate data, e.g. to the level of municipalities, is very limited. Thus the enormous importance of empirical studies, particularly those conducted on the demand side. Therefore, the starting point for the assessment of the economic effects of tourism and its influence on the economy, in both national and regional terms, must be the need to estimate three money streams: (1) inflow of new money into the country/region in respect of visits of non-residents (both foreign nationals and – at the regional level – nationals residing in other regions of the same country); (2) leakage of money outside the country/region concerned in respect of making necessary tourism-connected purchases (e.g. hotel procurement, buying souvenirs produced outside the region); (3) money retained in the country/region in connection with using

tourism services by local inhabitants and not purchasing such services outside its territory.

The impact of tourism on the economy is not merely the inflow of new money, dependent on the type and specific characteristics of consumer expenditure by visitors (tourism demand), but also induced broader multiplier effects on the economy and, frequently overlooked, non-measurable costs and benefits. As regards the last group, rather commonly indicated effects include greater awareness and recognition of the country/region/town in question, shaping its image or hardly measurable growth in business culture and entrepreneurship as well as in the viability of the region, visible in aspects such as the modernisation and enhancement of the appearance of public spaces. Surveys of the level and composition of demand are also applied to examine the relationships between consumers' propensity to spend money for various tourism-related purposes and their socio-demographic and psychographic characteristics. Such information is then used to make major marketing decisions (e.g. concerning the selection of priority market segments), therefore it serves tourism operators taking decisions on the choice of outlets. Identifying consumer behaviour in market segments which can be deemed the most important to regional tourism and changes in behaviour patterns may be achieved using methods such as the average expenditure analysis.

2. Tourism demand estimation: tourism expenditure surveys

In economic terms, the starting point and one of the most significant research problems – to a country and a region alike – is to estimate tourism demand. Relevant surveys conducted by the Institute of Tourism for nearly 30 years play an extremely important role in this regard. The main sources of information for estimations of domestic demand may be surveys of the Polish residents' participation in tourism, carried out by the Institute of Tourism on an annual basis and by the Central Statistical Office (GUS) every few years (as modular surveys), as well as household budget surveys (GUS). The consumption of tourists and same-day visitors coming to Poland from other countries is estimated on the basis of border surveys, also conducted by the Institute of Tourism. Researchers may also rely on available regional studies and, as support materials, NBP data (e.g. figures from surveys of foreign exchange office transactions).

2.1. Scope of surveys, units covered

The previously applied methods for assessing tourism demand assume that the starting point should be the knowledge of the size and structure of tourist traffic. Therefore, it requires regular monitoring as data on the number of visitors constitute input information, indispensable to estimating the inflow of 'new money' fuelling the economy. What is worth noting here is the need for separate surveys of two inflows of visitors to the country/region concerned: (1) tourists (persons using accommodation services) and (2) same-day visitors, not staying overnight. In economic terms,

the breakdown of travellers into the two groups is not to be underestimated, not only on account of entirely different types of infrastructure necessary to provide services to them, but also due to their dissimilar effects on the economy.

From the point of view of assessing the impact of tourism on the economy, on a national as well as regional scale, such surveys should also cover residents travelling across their own region for tourism purposes. In the literature regarding the national economy as a whole there is no disagreement about that, but studies examining the influence of tourism on the regional economy sometimes represent the view that such an analysis should only concern expenditure by non-resident visitors. Such a concept assumes only taking account of 'new money' in the region. The inclusion of expenditure by residents in such studies is sometimes applied and justified insofar as it is possible to prove that the participation of residents in regional tourism prevented them from spending money outside the region (they gave up leaving the area and allocating funds to similar products and services in other regions).

When discussing the importance of tourism demand surveys, it is worth remembering that for assessing the impact of tourism on the economy it is crucial not only to attempt to estimate the expenditure incurred directly in the region concerned, but also expenses borne in places of tourists' usual residence (in other regions of the country or abroad) and subsequently fuelling the economic system of the country/region as payment for services supplied in its territory. It is a rather difficult exercise, particularly with regard to mass tourism based on the sale of package services, impossible to break down through empirical surveys conducted among tourists. It must be remembered that tourism products, frequently sold in packages, consist of a number of complementary services and the tourist purchasing such a package (a tour or a several-day holiday trip) has no knowledge of what part of the price paid corresponds to each individual type of costs, what share is allocated to purchasing services in the region (country) of origin, as the tour operator's margin or transport fares, and what part is spent on services provided in the reception area: accommodation, food serving services, entertainment, margins of intermediaries, etc. By asking questions about the expenditure incurred prior to the trip, it is possible to roughly estimate the value of services sold in the form of packages in tourists' places of residence. It must be remembered, however, that data on expenditure borne before the trip are not fully reliable. This group of expenses may comprise amounts indirectly fuelling the regional economy through travel agencies and carriers as well as sums retained outside the region (e.g. the costs of transport services purchased from non-regional carriers, commissions of travel agencies operating outside the region). Therefore, data potentially obtainable in this way do not guarantee a precise separation of the part of expenditure allocated to the costs of services supplied in the visited region, neither do they provide an answer to the question about the composition of packages purchased (e.g. tours).

2.2. Expenditure profile

In accordance with the methodology adopted in the European Union, surveys of expenses considered to be tourism expenditure must take account of all tourism expenditure incurred in connection with the trip; it involves the need to exclude commercial purchases (i.e. those made with a view to reselling), investment expenditure or any type of donations (both cash given to relatives and friends and amounts donated to institutions). It is worth emphasising the changes introduced to EU statistics in this regard, aimed at including in tourism demand also expenditure on high-value consumer goods.

From the point of view of examining tourism demand, the structure of visitor expenditure is of extreme importance as it allows to break down expenditure into several main types: accommodation, food and drinks (with services provided in cafés and restaurants and the purchase of food products as separate categories), transport (including the purchase of fuels, transport and public transport fares, miscellaneous expenditure – e.g. on car repair, car rental), recreational services, purchases of gifts, souvenirs, other expenditure. A separate analysis of expenditure broken down by market segment (group of tourists) and category of products and services purchased is fully justified since it allows to determine the types of activities to benefit the most from tourism (such as the hotel industry and food serving services) and the most profit-generating segments.

It must be stressed that the structure of expenditure by same-day visitors in all the surveys conducted in Poland is very simplified but adjusted to the characteristics and importance of this type of traffic. The data obtained allow to separate expenditure on food (including purchases of food serving services), transport (including purchases of fuels and transport fares), recreational services, the acquisition of goods and services (including for own use and to resell) and other expenditure. The question concerning the acquisition of goods and services is particularly important in regions where it plays a considerable role. Such knowledge offers an opportunity to reveal the value of such purchases as well as eliminating commercial purchases (i.e. those made with the aim of reselling) from the group of tourism expenditure. It also allows to adjust the total revenue and separate tourism-related revenue from commercial sales.

3. Analysis and application of survey findings

3.1. Using tourism demand surveys for the purposes of the tourism satellite account

Tourism expenditure surveys carried out by the Institute of Tourism constitute one of the main sources of tourism consumption estimates for the purposes of the tourism satellite account (TSA). The account in question is aimed to provide a comprehensive statistical picture of the tourism economy, to monitor its performance and to support decision-making regarding tourism development orientations. The TSA not only presents the main macroeconomic aggregates allowing to assess tourism as

compared to other sectors of the economy, but it is also an extensive analysis of tourism consumption identifying the segments of the tourism market to contribute the most to measurable economic performance. Thanks to such expenditure surveys, supported by tourist traffic surveys, it is possible to estimate the level of tourism consumption by residents and non-residents broken down by product in the three types of economic activities distinguished in the TSA: (1) tourism-characteristic, (2) tourism-connected, and (3) non-specific. In terms of categories applied in the national accounts, tourism consumption included in the TSA is found in the following items:

- (1) intermediate consumption (expenditure on business trips constituting a cost of producing output),
- (2) consumption by resident households from disposable income,
- (3) consumption by the general government (in-kind tourism services provided to households, e.g. tourism information and promotion),
- (4) consumption by non-profit institutions serving households (in-kind tourism services provided to households by such institutions: e.g. services supplied by cultural institutions, recreational facilities, sports events organised by tourism organisations for their members),
- (5) exports (demand of non-residents satisfied in the territory of the Republic of Poland).

The tourism demand surveys conducted by the Institute of Tourism and GUS are aimed at estimating items (2) and (5).

3.2. Data on the level and structure of expenditure as a source of marketing information

Findings from tourism demand surveys are also used for the purposes of describing the purchasing behaviour of consumers representing the main market segments. A variety of variables are applied, relating to both general characteristics (age, sex, place of residence) and consumer behaviour: the purpose of the trip (the main travel motivation), the destination (the preferred tourism reception area), the choice of accommodation type, the choice of the mode of transport, the purchase method (directly or via travel agencies), the place of purchase (on-line, a travel agency), the method of payment, the length of the trip, the repeatability of visits, etc. As regards the selection of variables for segmentation, for years it has been emphasised that one of the most central of them, namely the declared main purpose of (motivation for) the trip, deserves special treatment. The correctness of the choice is corroborated by analysing the previous surveys conducted by the Institute of Tourism for many years: such an examination shows that the purpose of the trip is a very significant characteristic differentiating the average expenditure per person, the average daily expenditure as well as a number of other variables describing visits (e.g. the choice of place of accommodation, the mode of transport, geographical distribution of the trip, etc.). With regard to inbound tourism in Poland, the purpose of (motivation for) the trip as the independent variable allows to separate several main groups of purchasers of tourism products and to carry

out a rather in-depth analysis of their expenditure levels and purchasing behaviour.

Starting from 2006, the findings from surveys of inbound tourism in Poland conducted by the Institute of Tourism, including data on the average expenditure and total revenue from the emission markets of major significance to Poland, also constitute one of the main pillars for the calculation of the Inbound Tourism Benefit Index (ITBI). The index covers the 40 countries generating Poland's highest foreign exchange revenues in respect of inbound tourism. The index in question allows to identify countries of the greatest importance to the Polish tourism market; furthermore, it facilitates the monitoring of changes over time and undoubtedly helps make decisions on promotional activities in foreign markets. The above merit is reflected in the significant interest in this concept from the Polish Tourism Organisation. The methodology developed for the purpose of calculating the ITBI, using the standardisation procedure, may also be applied in comparisons between regions. The index not only allows to determine the ranks and benefits of emission markets to the reception market, it also enables the selection of countries of particular importance to Poland.

3.3. Using tourism demand surveys for the purposes of the balance of payments, reporting and international analyses

The recipients of tourism demand estimates include the National Bank of Poland and a number of international institutions (UNWTO, Eurostat, OECD, International Monetary Fund). On an international scale, tourism expenditure estimates are used for the purposes of publications such as the UNWTO Yearbook of Tourism Statistics, Tourism Market Trends, Compendium of Tourism Statistics, Travel and Tourism Barometer. The main survey findings are also published on the Internet. As regards the travel item in the NBP balance of payments, the role played by surveys relating to international tourism as a source of estimations is not to be underestimated. For some time the tourism demand surveys conducted by the Institute of Tourism at border crossing points have been the main, or virtually the only source of information. However, when using the NBP data, it must be remembered that in the balance of payments travel transactions are registered on the basis of the definitions of travel and traveller as recommended by the International Monetary Fund. The above-mentioned concepts are not fully identical with the understanding of tourism and tourist in the methodological recommendations adopted for the TSA. Among other things, there are differences stemming from the inclusion in travel expenditure of purchases made by seasonal and border workers, which in the Polish economic situation may significantly affect the overall level of expenditure.

The estimation of the contribution of tourism to the balance of payments is the basis for further and more in-depth analyses. One of the ways of assessing the importance of inbound tourism to the national economy is to examine the share of the relevant revenues in the overall balance of

payments, and particularly in relation to credit and debit entries for goods and services. It is also worth considering to what extent such revenues can influence the sustainability of the balance of payments, with a focus on the current account and particularly on the goods and services items. For years Poland's balance of payments has been negative (due to the balance on goods), and the surplus on services, largely resulting from a high level of revenues from inbound trips, has long been contributing to reducing the external imbalance in the two items of the balance of payments.

With regard to using tourism demand surveys for international reporting purposes, it is worth pointing out the problem of numerous efforts and attempts made by European and global institutions with the view to ensuring data comparability. For years the Institute of Tourism has been engaged in such initiatives. It concerns both the precision/uniformity of definitions and research methods. One attempt to specify such issues is the European Union legislation on tourism statistics with relevant explanatory materials.

3.4. Interpretation of survey findings and application to the assessment of the contribution of tourism to the regional economy

As has been mentioned in the introduction, when analysing the effects of tourism on the local economy, one must take account of both social and economic development, therefore the focus should be on four crucial problems:

- 1) evaluation of the level and structure of the expenditure incurred by non-resident visitors (i.e. the inflow of new money into the local economy) and residents (the issue of retaining money in the region),
- 2) 'leakages' outside the region,
- 3) the nature of broader multiplier effects on the local economy,
- 4) non-measurable costs and benefits.

Such an account involves taking into consideration both direct and indirect impacts as well as the so-called induced effects. Therefore, merely estimating the level of tourism demand, which is frequent in regions, is but a minor element of the overall account.

Theoretically, a comprehensive account of economic impacts of tourism referred to above is justified and understandable, in practice – very difficult to conduct (particularly with regard to induced effects). It entails detailed surveys or multiplier calculations on the basis of input-output tables, unavailable in Poland for small economic regions. It requires more in-depth studies of the regional economy. But it is extremely difficult, at times even impossible, to estimate for regions items such as imports of goods, services and production factors or the propensity to consume.

4. Limitations on using tourism expenditure surveys for the assessment of the impact of tourism on the economy

4.1. The most frequent problems at the survey stage: measurement errors

Any survey of visitors is a difficult exercise, usually subject to significant error. There are four main reasons:

- o the lack of reliable information on the size and structure of tourist traffic in the region; it precludes correct sampling,
- o the tendency to easily forget how much money the consumers spent, where and on what, as well as frequent underestimations or overestimations of the sums indicated depending on the survey place and time,
- o the lack of possibility to break down expenditure incurred by groups (e.g. families) into individual expenditure,
- o frequent reluctance to provide relevant information.

The aforementioned difficulties, resulting in hardly estimable measurement errors, are encountered in surveys of expenditure by tourists (also non-residents) – not only in Poland, but also in other countries. Measurement errors are differences between the value of expenditure declared by respondents and the actual expenditure. The survey questionnaire design (particularly the wording and sequence of questions, the questionnaire size, the respondents’ understanding of the questions, the interviewer’s ability to explain the survey scope, etc.) as well as the problem of missing answers undoubtedly affect such differences. The basic method for minimising such errors is to enhance research tools and interviewing techniques.

It is much more difficult to eliminate errors stemming from the respondent’s limited ‘grasp’ of his or her own budget and the imperfect recollection of the level of expenditure concerned. The most frequent sources of such measurement errors are memory errors and those resulting from the overlapping of expenditure in time and the related difficulties with assigning it to a specific situation (the so-called telescoping errors). The former type of errors concerns forgetting expenses related to developments remote in time; it may be removed by conducting interviews shortly after the event under survey occurs (e.g. immediately after a trip) and by clearly defining the categories of expenditure covered by the survey. It is worth noting here that the literature emphasises the need for the number of categories to be carefully thought-out: too many categories may lead to counting expenditure twice (assigning the same sums to different categories), too few – to neglecting expenditure which, according to the respondent, does not match the categories indicated. Expenditure categories should always exhaust the event or phenomenon concerned and be mutually exclusive.

From the point of view of estimations for regions, vital errors include those stemming from expenditure overlapping in time and the related difficulties with assigning specific expenditure to a given situation. They occur where the respondents declare expenditure which is not under survey: e.g. incurred outside the area or period concerned (such as expenditure connected with a different trip or – in regional surveys – expenditure borne during the same trip but in another region). It is worth remembering that avoiding one type of error may often lead to other errors. For instance, a question concerning expenditure incurred within the past

24 hours will reduce the probability of the respondents’ committing the so-called memory errors, but it will increase the risk of overlapping expenditure and erroneous inclusion of expenditure borne before the period indicated (the so-called telescoping errors).

Another problem related to accurate estimation of expenditure is the choice of the unit surveyed. It may be an individual or a group of individuals travelling together. Both options have their strengths and weaknesses. The main problem is that it is rather rare for groups travelling together to jointly pay or account for the entire budget for the trip. Not infrequently, there are less clear/unambiguous situations where part of the expenditure is jointly incurred by the group as a whole (e.g. the costs of petrol and common meals), whereas a certain share is borne by specific members of the group (e.g. individual insurance, costs of personal services or the purchase of souvenirs). It involves the risk of underestimating total amounts allocated to the trip and it must be ensured that the person managing the group budget and answering the interviewer’s questions should add such extra expenses borne individually by the others. Choosing individuals as the survey subjects entails an even greater risk of error (since an individual may exclude joint expenditure, e.g. expenses incurred by families), therefore the majority of researchers decide to adopt the former option, despite its imperfections. At the same time, there is another major drawback of surveying joint budgets, namely the impossibility to analyse expenditure broken down by any of the demographic and social characteristics of the respondents (age, sex, place of residence, social status).

In order to avoid the above-mentioned errors, it is strongly advisable to conduct surveys of expenditure immediately after it has been incurred. It is then possible to eliminate a number of inaccuracies, particularly those stemming from forgetfulness. Despite awareness of the fact of such survey findings are imprecise, it is worth remembering that especially in international tourism (and in European tourism in particular) surveys are practically the only way of establishing the level of expenditure and estimating tourism demand.

4.2. The problem of ‘leakage’ of new money outside the region

A crucial element of the account allowing to evaluate the impact of tourism on the local economy is to estimate not only the size of tourism demand, but also the value of goods and services (as well as those of production factors such as labour and capital) imported to the region from the outside, assess the level of profits withdrawn by outside investors, the value of taxes paid outside the region and sums withdrawn from circulation in the form of savings. It is an important problem of new money ‘leaking’ outside the region. The results of such estimations are not equally favourable for all regions. As regards areas largely dependent on imports of goods and services, the amount of money remaining in the region is lower than the sum initially spent by visitors. The higher the degree of economic autonomy, independence and

self-sufficiency (autarky) of a given region, the greater the amount of money spent in connection with tourism remaining in its territory in the form of personal and corporate incomes or taxes fuelling the local budget. In small regions the share of goods imported from outside the area will be higher than in larger regions and, consequently, the sums remaining in the region will be lower. Therefore, it may be assumed that urbanised regions, large cities are usually characterised by higher multiplier levels (lesser 'leakages') than small towns and rural areas. Such differences concern not only the size of the region, but also the type of tourism and the extent to which it is based on regional products. For example, agro-tourism holdings, largely relying on local goods and services, will contribute to a greater degree to retaining new money in the region, whereas operations of hotel chains should be attributed to a larger stream of new funds 'leaking' outside the region, e.g. in the form of business profits. The level of such 'leakages' frequently involves additional and in-depth studies. Those are usually done by verifying the data obtained from a survey conducted among visitors (demand survey) through surveys among local economic operators (hoteliers, owners of guesthouses, agro-tourism farms and private lodgings).

The above remarks lead to the conclusion that demand surveys, without supplementary surveys and data, cannot reliably answer the question about the impact of tourism on the local economy. The knowledge of neither the number of visitors nor the level of tourism expenditure can guarantee that. It is equally significant, if not the most essential, to have information on the share of expenditure on local products and services: the higher the share, the more favourable the effect of tourism on the regional economy. It also applies to retail purchases and to the whole chain of suppliers: the more local vendors are engaged in tourism services, the higher the share of trading margins retained in the region and the greater the actual economic impact of tourism on the region concerned. A similar conclusion may be drawn with regard to multiplier effects: the higher the share of regional products and services in additional expenditure the greater its importance to the local community. The above leads to a more general conclusion, not necessarily consistent with common expectations and stereotypical opinions: small and underdeveloped regions are unable to derive adequate and expected benefits from tourism unless they can encourage visitors to purchase local products. Realising that fact should inspire initiatives aimed at improving the quality of local products and services indirectly accompanying tourism rather than only of those directly related to it.

No analysis of the impact of tourism on the local economy should exclude the financial contribution by local public institutions (e.g. the enhancement of infrastructure, staff training as well as tourism promotion), it is also important to take account of the appropriations from central institutions (the central budget, outside institutions). It means that in some cases the net tourism-related profit and loss account may be negative for certain regions.

Summary

The economic effects of tourism trips need to be examined also empirically rather than merely theoretically, thus the enormous importance of surveys, especially those conducted among consumers. Such surveys are as indispensable as they are difficult and costly. However, when relying on the findings obtained, it is worth remembering what errors they are subject to and when, and to what extent changes in the conditions of carrying out such surveys may affect their comparability in time and space. The difficulty connected with the conditions of international tourism surveys faced at the end of 2007, i.e. upon Poland's joining the Schengen area, can serve as an example. Since then such surveys have been carried out under unrestricted border traffic with the Schengen area countries and – under entirely different conditions – with non-Schengen neighbouring countries (Belarus, Russia, Ukraine), in respect of which data of the border guard service can still be used. Further changes, introduced from 2010, were forced by the liberalisation of financial transactions and the impossibility to draw on supplementary NBP data. As regards the use of surveys for estimating tourism consumption in regions, it is worth pointing out that obtaining relevant data of high quality is very difficult. On the one hand, the best solution seem to be representative surveys conducted in regions, on the other hand – ensuring such representation for a voivodship, city or town in relation to visitors, e.g. foreign nationals, is neither simple nor inexpensive.

References

- Bartoszewicz W., Skalska T., *Zagraniczna turystyka przyjazdowa do Polski*. Institute of Tourism, Warsaw 2011.
- Dziedzic E., Kachniewska M., Łopaciński K., Skalska T., *Rachunek satelitarny turystyki dla Polski 2005*, Institute of Tourism, Warsaw 2008.
- Dziedzic T., *Wskaźnik użyteczności turystyki zagranicznej*. WUTZ 2011. Prepared for the Polish Tourism Organisation www.pot.gov.pl; (23.03.2013)
- Regulation (EU) no 692/2011 of the European Parliament and of the Council of 6 July 2011 concerning European statistics on tourism and repealing Council Directive 95/57/EC; <http://eur-lex.europa.eu/> (23.03.2013)
- Methodological Manual for Tourism Statistics <http://epp.eurostat.ec.europa.eu/> (23.03.2013)
- Konieczna-Domańska A., *Gospodarka turystyczna*, Oficyna Wydawnicza SGH, 2012.
- Libreros M., *Measuring the Demand by and on Behalf of Visitors*; D.C. Frechtling: *Measuring Tourism Expenditure*. Materials from the WTO conference *The Measurement of the Economic Impact of Tourism*. Nice.
- Eriksson M., Terpstra P., *Border surveys: how to do and how not to*. Delivered at the 7th International Forum on Tourism Statistics. Stockholm, 9-11 June 2004.
- Stynes D.J., *Guidelines for Measuring Visitor Spending*. Unpublished material.

The Development of Ecotourism in the World: Azerbaijan Case

Hazi EYNALOV

*Assoc. Prof., Dean of Economic and Administrative Sciences Faculty
Qafqaz University, Azerbaijan
heyналov@qu.edu.az*

Rufat MAMMADOV

*PhD Candidate, Business Administration Department, Faculty of
Economic and Administrative Sciences
Qafqaz University, Azerbaijan
rmammadov@qu.edu.az*

Abstract

The importance of tourism in the economies of countries is increasing everyday. Every expenditure in tourism sector creates revivment in the economy and affects the economy in different ways. Increase in the development level of tourism in the country is observed with the increase in the share of it in the economy.

Recently there were changes in the tourist taste and consumption because of fast economic and technological developments in the world. Time by time the demands of new type of tourists require silence rest, far from sea, sand and sun, the rest in the leap of true nature, good service in a good room but not exaggerated, at the same time they require silent rest in virgin places where humans' interfere is very limited.

That is why; ecotourism becomes one of the main forms of tourism nowadays. Many countries take advantage of the natural environment and build special infrastructure in order to benefit from ecotourism. Also the countries pay attention to the security issues in order to diminish the damages to the environment. For this purpose Azerbaijan Republic pays attention to the special villages in the pure nature, creates special investment opportunities for the investors in this sector and increases the safety and security issues in those regions. In the past few years Azerbaijan has done several steps in the development of ecotourism with the natural resources. Especially, the ecotourism activities are increasing in the mountainous villages that kept their natural beauty.

In this article, the importance of ecotourism, its effects in the tourism sector, the development perspectives, and its role in the economy have been stated. At the same time, world and Azerbaijan statistical information have been used.

Keywords: Tourism, ecotourism, Azerbaijan, taste, tourist.

JEL code: L83 - Sports; Gambling; Recreation; Tourism

Introduction

Last few years increasing environmental issues, global warming, shortage of natural resources, extinction danger of biological varieties, and food security issues made the people take into consideration the environment and nature and live in accordance with them.

It is known that, though the natural environment is the main element of tourism, time by time it has several negative impacts on environment. Tourism which uses all kinds of natural and environmental resources damages cultural and natural resources that bare importance for tourism. Water reserves, flora and fauna are main factors that demonstrate the interdependence of tourism with the environment. In general, the ecological environment named as ecosystem is vital for the development and sustainability of tourism. Taking into consideration this, we may say that the development and future of tourism depends on the well protection and management of environment. Polluted environment will affect human health, wealth, at the same time it will make the regions to differentiate and lead to loss of resource as far as tourism activities (Eynalov, 2011:33).

The natural environment when defined as the tourism product reflects itself on the reduction of negative environmental effects by tourism enterprises, the values that can be gained from environmental protection, and the positive development of tourists' attitudes towards environment. That is why ecotourism plays an important role in tourism sector as it has the sustainability factor.

The ecotourism notion time by time gains the meaning like green tourism, nature tourism, and wild tourism. If used on purpose the ecotourism can be the source of ecosystem and the development of regional population's socio-economic welfare. If we take into consideration the poverty and deprivation of rural population who leave in mountainous regions, then the ecotourism can be the reduction factor of disbalance among social classes.

1. The Emergence of Ecotourism Concept

Growing concern for recreation and green tourism the ecotourism becomes the fastest growing element of tourism which has growth rate of 30% annually. According to the International Ecotourism Society's statistics ecotourism

currently comprises about 20% of the world travel market (TIES: Ecotourism Statistical Fact Sheet, 2012).

In regard to this, when the literature is analyzed many definitions of ecotourism can be found. According to Gossling, ecotourism comprises the travels made to the virgin and unpolluted areas (Gossling, 2002:200). Another definition was given by TIES – the International Ecotourism Society as ecotourism is organized in small groups. Accommodation and food services are provided by local small firms (Eynalov, 2011:33).

An ecotourism experience is one in which an individual travels to what he/she considers to

be relatively undisturbed natural area and is more than 40 km from home, the primary intention being to study, admire or appreciate the scenery and wild plants and animals as well as existing cultural manifestations found in the area (Blamey, 1997:110).

Local community, resource management, and tour operators are necessary components of

an ecotourism development model, this perspective is most explicit about the merger between conservation and tourism (Fennel and Eagles, 1990).

But there is not any internationally accepted definition of ecotourism because of variety of understandings and acceptance. Taking into consideration this fact the following points may be included to the definition of ecotourism (Weaver and Lawton 2007: 170):

- attractions should be predominantly nature-based
- visitor interactions with those attractions should be focused on learning or education
- experience and product management should follow principles and practices associated with ecological, socio-cultural and economic sustainability.

World Tourism Organization defines ecotourism as a responsible travel aimed at protection the environment of the local region and increase the local people welfare (WTO, 2010).

Summarizing all the definitions given above we propose the following definition for ecotourism as the travel to less modified natural regions and/or using those resources in the region without any damage with the condition of protection the natural resources and respecting the population's cultural heritage.

2.1 Ecotourism Facts

According to TIES – International Ecotourism Society, ecotourism participants require variety of activities, here we may include land and water based activities. The most popular of them are wildlife watching, visiting protected areas, and hiking (TIES, 2012).

The increasing demand to ecotourism led to different surveys in this area. One of them was held by the Canadian government in order to analyze the market demand in 1994 revealed that ecotourists differ from normal tourists in income level, education level, expenditure level, travel experiences and age. According to the research those who join the ecotourism are more educated, they are between 35 – 54 years of age, they spend more, their income is high and they are more frequent travelers (TIES, 2012).

At the same time, ecotourism involves tourists from developed countries (the US, Canada, Germany, the UK, and etc) who visit the places in developing countries (Nepal, Nigeria, Kenya, Costa Rica, and etc). One of the first ecotourism destinations was Kenya. Hence eight of tenth of tourists came to Kenya for ecotourism purpose which generated more than \$ 350 million dollars for the country's economy in 1990.

According to the World Tourism Organization Statistics each year the number of ecotourists in the world is increasing 20%. When comes to the ecotourism demand, the main destinations here are first of all North America, then follow Western Europe, Australia and New Zealand. 10% of revenues from international tourism come from ecotourism in the US. In the Western Europe the ecotourism is accepted as one of the economic categories. For example, each year Finland accepts ten thousands of tourists to watch the wild nature (WTO, 2010).

Based on United Nations press releases the tourist flow to the developing countries increased for the last 20 years because of their rich flora and fauna and varied biodiversity. Those developing countries with stable political environment accept most of their profits from ecotourism. As the example Kenya, Costa Rica and Nepal are in front.

2. The Aims of Ecotourism

Ecotourism, in comparison with mass tourism, reduces the number of tourists and spreads the tourism over the year, reduces the pressure over the natural environment, prepares the plans for avoiding the damages, and follows the longterm economic interests. The main aim of ecotourism is to organize travels in small groups to the natural environment and create opportunities for tourists to rest and watch the lives of local people. Thus, thanks to controlled tours in ecotourism the environmental pollution level is diminished at the same time the economic welfare of local people is attained (Arslan, 2003:33).

Together with those aims of ecotourism mention above WTO defines following aims respectively;

- Protection of biodiversity,
- Taking care of the local people's welfare and informing either the tourists and local people on the environmental issues,
- Small scaled firms provide services for small number

of tourists,

- Providing responsible behaviors towards the natural resources by either tourists or the local people,
- Making sure of rare resources consumption limited,
- Taking into consideration the local authorities in tourism management,
- Providing employment opportunities for the local people.

In general, ecotourism activities provide not only benefits for the natural environment but also for the local people. That is why the countries organizing ecotourism first of all educate local people how to treat the ecotourists and how to use rare natural resources. For this purpose the countries provide humid climate for the development of local and regional small scaled tourism firms to operate effectively.

3. Ecotourism in Azerbaijan

Azerbaijan is one of those countries that are characterized by biodiversity, rich of natural resources and hospitality by local people. When comes to the natural resources, Azerbaijan possesses nine climatic zones out of eleven in the world which reflects itself in wide range of flora and fauna. According to the information of Azerbaijan Ministry of Ecology and Natural Resources more than 4500 plant species are spread all over the country that represent 64% of the known flora of the Caucasus, and 24% of the known flora of the former Soviet Union. Some 240 or 5% of these species are endemic and relict species that are classified under 108 genera and 36 families. Most of the endemic species occur in the Talish natural area. More than 400 plant species in the Azerbaijan Republic require special protection, and 140 rare and endangered species are included to the Red Book of Azerbaijan (Mammadova, 2004:9).

Because of rich of climate zones more than 15.000 fauna species dwell in Azerbaijan. In addition, 30 important forest areas, 2083 trees over 100 years of age, and 73 geological and paleontological objects, were included in the list of Natural Monuments.

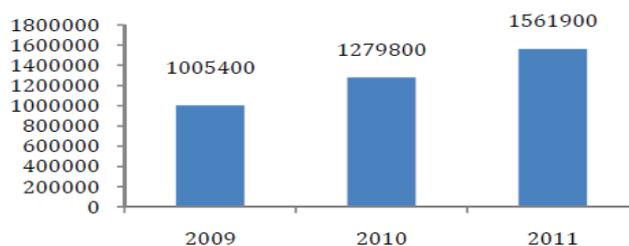
According to State Statistical Committee of Azerbaijan Republic there are 8 natural protected parks and 11 reserves which account for 519.8 thousand ha which ensure the protection of available ecological systems.

Rich nature of Azerbaijan opens wide opportunities for ecotourism. While it is not that popular type of tourism yet, it has enormous potential for development and opens up wide opportunities for investments (Azpromo, Azerbaijan Tourism, 2012).

In graphic 1 it is shown the international tourist arrival trend. We may see that in 2011 Azerbaijan accepted more than 1.5 million international tourists which in turn is

the opportunity for ecotourism.

Graphic 1. Number of foreign tourists visited Azerbaijan

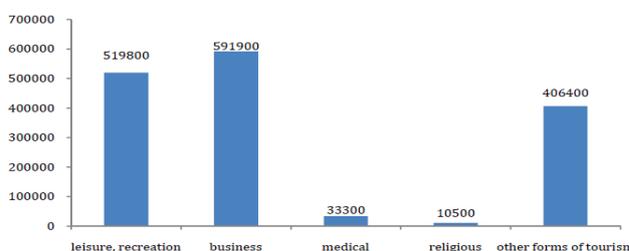


Source: AZPROMO, statistical information, 2012

However when we look at graphic 2 we may see that the role of ecotourism is not visible rather than the other forms of tourism in Azerbaijan.

Though ecotourism has not been developed in Azerbaijan, there is a need for the development of this type of tourism in order to reduce the negative effects of traditional tourism which is developing rapidly in Azerbaijan. For this purpose Azerbaijan Government announced 2011 as the year of tourism and very important projects have been realized either by government or private sector. In response to the activities Azerbaijan Tourism and Cultural Ministry organized ecotourism routes to the natural regions where the ecotourists were introduced the local hospitality, the virgin natural resources and local cuisine.

Graphic 2. Number of foreign tourists according to travel objectives (2011)



Source: AZPROMO, statistical information, 2012

Conclusion

Especially the local people who are going to benefit from ecotourism must understand that only protecting the natural resources they can benefit from it. The local entrepreneurs and local people must be informed about ecotourism, its types and benefits by trainings, courses or briefings. Together with these the ecotours must be developed under the strict control.

In Azerbaijan there are still many virgin and not spoiled areas by humans. Especially the flora and fauna keep its breath taking scenery. And when we add the socio-cultural value to it, we will have the great opportunity for the development of ecotourism. Wildlife watching especially birds watching takes very important role in ecotours. To protect and develop these resources are the main duty of

either the government or the entire population of Azerbaijan.

To sum up, in order to develop the ecotourism and gain more profits the government must provide humid environment for small scaled enterprises in the regions to operate efficiently and effectively. In this sense, the government must provide financing options for them, prepare professional seminars and trainings in the course of ecotourism, educate the local people, to create the infrastructure relative to ecotourism paying attention to the natural and environmental factors, educate the personnel for ecotourism, pay attention to green color in the tourism advertisements depicting the country's tourism industry.

References

- Azerbaijan State Statistical Committee, Tourism Statistics, Baku, 2011.
- Azpromo, Azerbaijan Tourism Report, Baku, 2011.
- Blamey, R 1997. Ecotourism: the search for an operational definition. *J. Sustain. Tour.* 5(2):109-130.
- Eynalov Hezi, Ecotourism, Dialog, Azerbaijan Business world Journal, Vol33 April 2011
- Fennell, D.; Eagles, P. 1990. Ecotourism in Costa Rica: a conceptual framework. *J. Park Recreat. Admin.* 1(8):23-34.
- Gossling Stefan, (2002), "Global Environmental Consequences of Tourism", *Global Environmental Change*, Vol.12.
- Sadagat Mammadova, Protected Areas And Other Natural Attractions In Azerbaijan, Sustainable Ecotourism And The National Park System In Azerbaijan, Proceedings, symposium held in Baku, Azerbaijan, 15-16 April 2004, p9.
- TIES, International Ecotourism Society, Ecotourism Reports, 2012.
- Weaver, D.B. and Lawton, L.J. (2007) Twenty years on: the state of contemporary ecotourism research. *Tourism Management*, 28, 1168–1179.
- World Tourism Organization, Statistical Report of 2010.
- Yunus Arslan, Erdek ve Çevresinin Ekoturizm Açısından Değerlendirilmesi, *Sosyal Bilimler Dergisi*, s.33, 2003.

Risk as a Motivation in Adventure Tourism and its Use in Terms of Tourism Marketing

Özgür SARIBAŞ

*Izmir Kâtip Çelebi University,
Faculty of Tourism,
Cigli, Izmir, Turkey.
ozgur.saribas@ikc.edu.tr*

Zafer ÖTER

*Associate Professor
Izmir Kâtip Çelebi University,
Faculty of Tourism,
Cigli, Izmir, Turkey.
Zafer.oter@ikc.edu.tr*

Abstract

There are several motivations for participating tourism activities. Some of these are known as to relax, to see different places, to discover new cultures, to swim etc. Nearby them, there are some other reasons like to feel rush, passion for adventure, feeling of fear or enjoyment of risk. These latter elements can also be accepted as core ingredients of tourism for participants' motivation. Tourism marketers need to keep pace with these changes and needs. The purpose of this study is to examine expected changes in tourism, characteristics of participants who are motivated by risk, risky and recreational behavior and marketing behavior which responds to them. The study is undertaken by literature review and an assembly of earlier works is made in this paper, concepts are explained, tourist experience is given and several examples are presented for this purpose. At the same time research focuses on countries known for best practices of adventure tourism, and its importance in tourism economy is prevailed. In this study, how risk taking may play a big role in tourism motivation is identified and the importance of this phenomenon for marketers who wants to have economical outcomes is discussed. The results can be beneficial for both tourism participants and people responsible for tourism marketing activities.

Keywords: Risk, Adventure tourism, tourism motivation, marketing, tourism economy.

Introduction

Tourism industry is one of the most important revenue generators in global economies. Because of this important revenue impact tourism has took critical role in national policies especially during the second half of the 20th century (Gülbahar, 2009). At the end of the same century tourism industry has become mature and new market and product research has started. This quest for new authentic destinations, markets, and products has produced several outcomes including new forms of tourism activities. Included in these new forms are special interest tourism, adventure tourism, ecotourism, and cultural tourism (Günal, 2005).

These new tourism types are outcomes of several factors. Changing environmental conditions, new economic, social psychological developments, differences of human expectations, quest for different and authentic experiences, physical, emotional, personal factors, level of personal development, cultural background all play significant roles in the formation process of new tourism types (Lien, 2010). Some people travel to see, to learn, to socialize, to feel better

(Beckmann et al., 2007), some others travel to escape, to relax, to renovate, or for personal development (Pearce and Lee, 2005), and some travelers may still have many other reasons to travel. Adventure is a concept related with some of these motivations and it has a very old back ground. Throughout history adventurous people played great role in discoveries and innovations. Thus, adventurous and curious spirits have been an asset for their societies. This situation is underlined by Turkish outdoor journal named Atlas as following (Keşifler Atlası, 2009);

“... Look around to discover all the time! This principle is valid for all in life. Even for discoveries themselves. Discovery is an endless journey; it is convenient for human nature and spirit. A true human-being is full of desire to learn, curious and ambitious to research around. Perhaps because of this reason we stood up and gazed at far horizons.”

Therefore, individual having this spirit, aspiring for adventure, risk taking, searching for adrenalin passion have a special travel motivation. These people seek to learn and research during their travels, and they desire a differentiated

type of marketing efforts. This study encompasses risk concept as a motivational factor of adventure tourism and tries to discuss how this concept can be operationalized in tourism marketing.

1. Theoretical Background

This study tackles risk concept first of all. Nearby this concept, motivation, adventure tourism, outlier experiences are questioned. These terms are linked with tourism marketing concepts after being defined and explained. This linkage is done through examples from personal experiences.

1.1. Travel Motivation, Adventure Tourism, and Risk as a Motivational Tool

There are two factors that motivate people to travel: 'push' and 'pull' factors. The push factors are those elements that push and individual from home and make him/her want to travel somewhere else. The push factors attracted individual toward a destination due to its region and the perceived attractiveness of the destination (Joynathsing and Ramkissoon, 2010). Tourist behavior and decision making process have been important topics for tourism management. In several studies basic factors leading people to travel are categorized in two groups as push and pull factors each having several sub-items (Wong and Yeh, 2009). Tourist destination choice is a multi-stage decision making process. Clusters about tourist destination choice are rather related with self-characteristics of tourist preferring these places to others (Nicolau and Francisco, 2008). However, human characteristics tend to modify by time and travel motivations become differentiated as an outcome. Several key studies have been conducted regarding tourist motivation "(Pearce & Caltabiano 1983, Madrigal 1995, Skidmore & Pyscka 1987, Pearce & Caltabiano 1983, Driver, Brown, Peterson 1991, Frochot & Morrison 2000, Witt & Wright 1992)", (Kay, 2003). One of motivations pushing people to travel is the risk taking desire. In this context; excitement, risk and adventure can be bridged within travel motivation. Exciting experiences are generally risky, but what attracts people is not the risk, rather they are attracted by feeling of excitement. Excitement creates addicted experience seekers, and no guarantees can be given to ensure other excitements. Despite all, the probability of enjoying an exciting atmosphere and experience creates the necessary motivation to purchase adventure tours (Buckley, 2012).

"Adventure means different things the different people; adventure may also mean different things to different tourist. What fills one person with fear fills another with boredom and vice versa" (Buckley, 2006). So we can recognize adventure tourism and adventure marketing based on adventure. Adventure tourism is increasingly recognized as a discipline in its own right. The adventure market is generally split into two categories: hard and soft. The first, sometimes called extreme, attracts "danger rangers," as it involves strenuous physical exertion with risk to life and

limb. This includes activities such as rock climbing, heli-skiing, or white-water kayaking. The second, who includes activities such as snow-coach exploration of glaciers, aims at noradrenaline addicts and families (Hudson, 2003). The topic of this study is the concept of risk which goes beyond these two categories and the tourist demand (market) motivated by risk as part of adventure tourism phenomenon. In this context, risk takes on a central role as satisfaction with the experience, and a desire to participate may decrease if risk is absent. In this idea risk is most commonly equated to the physical risk of serious injury or death (Weber, 2001).

Table 1. Common Adventure Activities

Adventure Activity	Hazard
Walking along river banks	Twisted knees and ankles
Putting loaded sea kayaks into the water	Twisted backs, knees and ankles
Gasoline stove use	Carbon monoxide poisoning, burns, and stove flare-ups
Rock or ice climbing, lead climbing	Climber slips and falls, rock or ice fall, failed student belays
Ski guiding	Avalanches, inclement weather, knee injuries
Sea kayaking	Open-water crossings, wind, inclement weather
Whitewater rafting, kayaking,	flooding water, overturned boat, log-jams
Canoeing	
Hiking	Lost hiker, sprains and strains, bear contact

Source: Centre for Curriculum, Transfer and Technology and BC Adventure Tourism Programs Articulation Committee, 2002

As seen on Table 1 adventure activities are varied. This variety brings special characteristics to each activity type. The amount of risk within these activities varies according to the region the activity is realized, security and safety conditions taken, and expectation levels of participants. Some types of accident risks and probabilities of casualty and injury bar the demand for adventure tourism in some cases. The same barriers interestingly become motivational factors and push people to try adventure travel. This study focuses on adventure travelers motivated from threats and dangers.

"Rush feeling" is one of the key terms in adventure tourism. This term is often underlined by Ralf Buckley, an eminent researcher of adventure tourism. He has developed the term after his experiences and observations at adventure activities. He explains "rush feeling" as;

"The helicopter drops you at the top of a long, steep, completely untracked slope of deep, fine, dry powder stretching far away between the trees. The sun is shining and the air is sparkling with diamond dust. There might be five of you, or 10. You ride in an arrowhead pattern, and this run, it is your turn at the front. You are riding fast, with the rest of the crew right behind you, and then you ride over a



roll and the slope drops away, perhaps another 10 degrees steeper than above. Already you are riding at the limit of your ability, and now you have to ride faster still. It takes such concentration that you can barely breathe and dare not blink. You cannot make big turns to slow down because you would be blinded by the clouds of powder e in fact, you have to make smaller turns, which means even faster. Suddenly, the ground levels out, you become aware that your heart is going like a jackhammer, your lungs are gulping and your eyeballs, which seem to be protruding much further than normal, are retracting back into their sockets. Your thoughts and emotions, which had somehow vanished entirely, rush back and burst out in a soundless gasp. That is rush” (Buckley, 2012).

In order to create such a motivation only some exciting activities would not be sufficient. The profile of participants in such activities is important. Participants with special characteristics can feel the excitement different than others. These special participants should be also ready to pay for rush feeling. In order to attract this type of travelers there is need to understand their psychographic profile and what type of emotions and psychological processes they go through. In order to understand this emotional concentration following cases are excerpted from real adventure experiences;

Surfing

“Your boat drops anchor by an island reef, with swells peeling off in giant glassy walls. Three of you jump off the boat and paddle to the break. You start with a couple of smaller waves breaking wide and slow. You move into position and paddle onto a boomer, heart in mouth. The bottom turn is so hard and fast it flings spray. The wave is walling up far, far ahead, faster than you expected, but there is no stopping now. The lip pitches over everywhere at once and the setting sun flares along it, and for a moment you are looking along a giant vertical half-tube of flame. Then it closes over your head and from the corner of your eye you can see a red sun shining through a blue green translucent sheet of water. There is no time to think; there is nothing to hold onto; there is only the instantaneous impression of being perfectly poised on a perfect wave. You are aware, subliminally, that the tiniest lapse could suck you up the face of the wave and hurl you violently out and down. But that thought does not actively surface in your brain. You are aware, subliminally, that this is one of the best waves you have ever caught e if you don’t fall and as long as the wave doesn’t close out ahead of you and leave you trapped inside breaking whitewater. But you don’t, and it doesn’t, and as the wave dies away into the channel section you hurtle over the back into calm water, still flying. If your life is defined by surfing, your surfing is defined by that wave” (Buckley, 2012).

Rafting

There is a waiting period full of stress and excitement. You put on your helmets and wear your knee protectors. At the moment of sliding the boat to the river you

feel the flow and move inside. When the boat moves over the rocky areas you feel such an amazing excitement in your soul. At first, you try to challenge and fight with rock using your oar. But as the flow of the river becomes faster your control over the boat weakens and you leave yourself to the river hopelessly. While you try to orientate yourself and the boat you feel part of the nature fully. You become aware of death and life from such a short distance and interpret your existence once more. Against the immense power of the water and the nature you ask yourself; was that all you can do? Is your power that much limited? You cry out, scream and feel your weakness in the rush. At some times you wish that activity finishes as soon as possible since you are scary. At that moment, you verily live the moment, you flutter to come to the shores when the boat is overturned, at each stroke your light body is swept unconsciously, you feel hard touch of rock on your elbow, you try your utmost efforts and hope to feel the comfort soon while swinging between hope and despair. Then comes the boat near and they take you in, while resting on the shores you feel the hot blood rushing down on your elbow, you are happy to feel sun ray on your face and feel different after that extraordinary experience. All of these finally put the love of adventure in your spirit.

Sometimes people make their holiday decisions momentarily based on their mood or state of mind (Decrop and Snelders 2005). Rush feeling and adventure tourism is also part of these momentary (instantaneous) emotional state. Feeling of adrenalin becomes a need and start to push traveler as a strong motivator. Satisfying this need is not that easy in many parts of the world. Destinations should develop and produce activities in order to satisfy this need. When an array of adventurous activities is developed; that country can increase adventure tourism receipts. However, even if a country can have natural resources suitable for adventure tourism, developing this type of tourism and selling adventure tourism products is a difficult task. There are several risks in this business. However, if created once with necessary precautions and safety rules, and marketed correctly to the adrenaline seekers a considerable amount of visitors and income can come to the destination.

1.2. An Assessment for Tourism Marketing

Adventure tourism is a rapidly expanding sector of the tourism industry internationally (Bentley and oth. 2007). The adventure Travel Society reports that adventure tourism is growing at an annual rate of 10 to 15 percent with most of this growth occurring in existing markets such as Costa Rica, parts of Mexico, and Peru. Most adventure travelers are North Americans, but an increasing number are Japanese, Thai and Western European. Independent travelers are a significant and growing segment of adventure travelers, but not much analysis is available as of yet (Hudson, 2003). Also destinations such as New Zealand, Greenland and Norway are now positioning their offerings and marketing more heavily towards adventure travelers. Strong marketing and branding towards the adventure tourist at the national level will attract new tourists in Greenland (Adventure Tourism

Development Index, 2011).

In terms of revenue and jobs, the outdoor industry (in which we include adventure travel) plays a large role in the national economy (Schneider and Heyniger, 2006). Aspects of this, adventure tourism an important market for tourism companies and investors. Companies tread a careful line between selling adventure as an idea and delivering the same as an experience (Beedie and Hudson, 2003). The segments of the activity tourism market that do brand themselves as ‘adventure activities’ tend to involve activities that have high degrees of perceived or real risk. This is often created by the activities being based on elemental aspects of the environment that seem (or indeed are) dangerous – scaling high mountains, rafting fast rivers or diving deep caves would be included among adventure activities (Swarbrooke and oth. 2003). The adventure tourism market develops differently in different countries based on the pace and nature of political, economic and social changes. The concept of adventure varies between cultures based on their history, traditions and geography. It is always important to be aware of these cultural differences in the concept of adventure tourism (Swarbrooke and oth. 2003).

Adventure tourism is at the cutting edge of world tourism, and its newness merits a comprehensive examination, unhindered by the confines of traditional delineations (Schott, 2007).

Adventure travelers often seek unique or new travel destinations and activities. It is often believed that a percentage of this sector is willing to accept limited tourism infrastructure with the promise of an exceptional, authentic experience. Adventure, by definition, involves an element of risk.

Table 2. Average Spending per Trip Excluding Airfare

	Hard Adven- tures	Soft Adven- tures	Other travel- ers
European Travelers	\$500	\$525	\$483
North American Travelers	\$500	\$914	\$605
Latin American Travelers	\$375	\$861	\$835
All 3 Regions	\$462	\$822	\$591

Hard adventurers do however spend more on gear than people engaging in other types of travel. It is known that hard adventurers are also less likely to use a tour operator for their trip, so this could explain part of the difference in spending. The table above illustrates expenditure (Adventure Tourism Market Report, 2010)

2. Conclusion

Developing technology, new communication tools, innovation about transport, and especially democratization of air transport have all supported tourism industry, leading

tourist arrivals to overpass one billion internationally (www.unicankara.org.tr, 2013). In this increasing traffic new customer types arise, travelers’ expectations diversify, needs become differentiated and more complex than before. This situation becomes even more complicated for marketers fueled by keen competition.

Several factors play role on travel decision making. Destination choices ad travel motivations are influenced by intrinsic or extrinsic factors. This study discussed the term of risk as a key element of travel motivation and destination choice. Tourism industry needs to create activities with risk and market them to the adventure travelers. For many travelers risk and adrenalin is must for their travel experience. Some countries already have invested on adventure tourism. However, this niche market of adventure travelers arguably tries to find new destinations where they can differentiate their experiences. Successful destination knew how to market their natural resources to these travelers. But they did it by turning mere natural attraction to the scenes of exciting activities. One shall not forget that risk perception is a constantly changing phenomenon. Risky activities can be innovated, developed in alternative forms as tourism products. Since Middle Ages adventure travelers have been documented. A good example to these travelers is Marco Polo, who traveled to Asia from Europe and lived for 20 years as guest of Koubilai Khan (Kozak, 2012).

Adventure travel participants are so loyal to their tourism motivation that their commitment to adventure travel is similar to that of addiction that somebody searches after frequently. After each experience of adventure travel there is a hunger to try more and discover many other aspects of nature and earth. Therefore, adventure traveler is constantly in search of new adventures and experiences. S/he needs to feel adrenalin after a while and sometimes at increased risk levels. This state of art about adventure tourism offers great potentials for many countries and destinations which have not invested in this phenomenon. New alternatives of adventure tourism are needed. However, despite the potential it is not an easy to task to develop these products and market them in tourism industry. Especially, risk-based adventure tourism, or “rush” tourism have several impasses before developing correctly. Risks about development of rush tourism are several including the infrastructure of the activity area, local safety and security conditions, existence of trained personnel on this type of travel and organizations created regarding this type of travel. Just preparing a tour or activity package one time cannot guarantee long-term success. Sustainability is the key word and it should be based on correct use of natural resources.

Enterprises by definition try to respond to the customer needs in open markets and they constantly renew their product array in time because of changes in social and individual preferences. Therefore, the task of new product development is inevitable for tourism marketing professional too. This criteria both helps to increase competitive advantage of tourism firm and allows boosting profitability

in the business (Liao et al., 2010). Adventure tourism provides bright potentials for those countries with abundant natural resources. Some countries and destinations weak in cultural heritage ownership can use this type of travel as their competitive edge. Slovak Republic, Czech Republic, Chile, New Zealand, Lithuania, Australia and likewise countries already proved a certain success in this tourism form. New destination can learn good practices from these countries and add themselves to the international adventure tourism.

References

- Adventure Travel Trade Association, (2011), Adventure Tourism Development Index, The George Washington University, Vital Wave Consulting, USA
- Adventure Travel Trade Association and Xola Consulting, (2010), Adventure Tourism Market Report, The George Washington University School of Business, USA.
- Atlas, (2009), Keşifler Atlası Özel Koleksiyon, Doğan Burda Yayıncılık, İstanbul.
- Beckmann, S., Hansen, T., Thorbeck, J. and Matthiesen, L., (2007), Animation effects in online banner ads, Australian and New Zealand Marketing Academy (ANZMAC) Conference Proceeding, 1400-1406
- Beedie, P. and Hudson, S. (2003), Emergence of Mountain-Based Adventure Tourism, *Annals of Tourism Research*, 30 (3), 625–643.
- Bentley, T. A., Page, J. S. and Macky, K.A. (2007), Adventure tourism and adventure sports injury: The New Zealand experience, *Applied Ergonomics* 38, 791–796.
- Buckley, R. (2006), Adventure Tourism, CAB International, London, UK
- Buckley, R. (2012), Rush as a key motivation in skilled adventure tourism: Resolving the risk recreation paradox, *Tourism Management*, 33, 961-970.
- Centre for Curriculum, Transfer and Technology and BC Adventure Tourism Programs Articulation Committee, (2002), Health and Safety in Adventure Tourism, Province of British Columbia, Ministry of Advanced Education, Canada.
- Decrop, A., and Snelders, D. (2005), A grounded typology of vacation decision-making, *International Journal of Tourism Management*, 26(2), 121–132.
- Gülbahar, O. (2009), Emerging of mass tourism from 1990's until today and alternative tendencies in Turkey, Süleyman Demirel University The Journal of Faculty of Economics and Administrative Sciences, 14 (1), 151-177.
- Günal, V. (2005), Mardin iline gelen yerli turistlerin profil ve turistik davranışlarını belirlemeye yönelik bir araştırma, *Coğrafi Bilimler Dergisi*, 3 (2), 55-67.
- Hudson, S. (2003), Sport and Adventure Tourism, Haworth Hospitality Press, Binghamton, ABD
- Joynathsing, C. and Ramkissoon, H. (2010), Understanding the behavioral intention of European tourists, *International Research Symposium in Service Management* ISSN 1694-0938, Mauritius, 24-27 August 2010
- Kay, P. (2003), Consumer motivation in a tourism context: continuing the work of Maslow, Rokeach, Vroom, Deci, Haley and others, ANZMAC Conference Proceedings Adelaide 1-3 December, 600-614.
- Kozak, N. (2012), Genel Turizm Bilgisi, Anadolu Üniversitesi Web-Ofset, Eskişehir.
- Liao, S., Chen, Y. and Deng M. (2010), Mining customer knowledge for tourism new product development and customer relationship management, *Expert Systems with Applications* 37(6), 4212–4223.
- Lien, P., T., K., (2010), Tourist Motivation and Activities A Case Study of Nha Trang, Vietnam, Unpublished Master Thesis in Fisheries and Aquaculture Management and Economics, Nha Trang University, Vietnam.
- Nicolau, Juan L. and Más, Francisco J. (2008), Sequential choice behavior: Going on vacation and type of destination, *Tourism Management*, 29 (5), 1023-1034.
- Pearce, P.L., Lee, U. (2005), Developing the Travel Career Approach to Tourist Motivation, *Journal of Travel Research*, February, 43:226-237.
- Schneider, P. and Heyniger, C. (2006), Adventure Travel Industry Research Round-Up, Copyright 2006 Xola Consulting, Inc., Santa fe, New Mexico, ABD
- Schott, C. (2007), Selling Adventure Tourism: a Distribution Channels Perspective, *International Journal of Tourism Research*, 9, 257–274.
- Swarbrooke, J., Beard, C., Leckie, S. and Pomfret, G. (2003), Adventure Tourism The new frontier, Butterworth-Heinemann, Burlington.
- Weber, K. (2001), Outdoor Adventure Tourism a Review of Research Approaches, *Annals of Tourism Research*, 28(2), 360–377.
- Wong, J. and Yeh, C. (2009), Tourist hesitation in destination decision making, *Annals of Tourism Research*, 36(1), 6-23.
- Birleşmiş Milletler Enformasyon Merkezi Ankara, Available at: www.unicankara.org.tr, Accessed on: 02.05.2013.

Tourist SMEs Contribution to Employment: The Case of Georgia

Tatiana PAPIASHVILI
t.papiashvili@ibsu.edu.ge
International Black Sea University
Georgia

Ilyas CILOGLU
ciloglu@ibsu.edu.ge
International Black Sea University
Georgia

Abstract

The paper analyzes the contribution of tourist small/medium enterprises to employment in Georgia. Statistical analysis reveals that SMEs share in employment is quite modest. Comparison analysis shows that five tourism related sub-sectors (hotel and restaurant business, agriculture, fishing, retail trade and transport and communication) create significant share of jobs inside the SME sector. The further development of tourism depends on success of the SMEs policy in the country.

Introduction

Nowadays many developing and emerging countries pay attention to economic policies for promoting international and domestic tourism as a potential strategic factor for development and economic growth. During 2000-2009, the tourism increase was particularly strong in Egypt (424%) and Turkey (480%). Now Turkey occupies the 7th top destination in the world after three other Mediterranean countries (France, Spain and Italy) (World Travel; 2011). This success is the result of the Turkish political choice to make tourism a national priority in the early 1980s.

In Turkey, in 2010 9.7% of GDP was produced in tourism industry (comparing with 9% of the world economy) and the sector employed 6.4% of total country's employment (Lanquar, 2011; p. 19). In some countries these figures are even larger, for example, in Greek tourism contribution to GDP is 15,3% (2010), and to employment -17,9% (Association of Greek; 2011)

Follow this world trend tourism has been recognized among the top priority sectors in Georgian economy (Support, 2011; p.11).

Tourism affects about all sides and sectors of national economy. As Taleb Rifai, the Secretary-General of UNWTO said, “tourism means jobs, business opportunities for small and medium enterprises, the renewal of urban and rural areas and, if properly managed, the preservation and promotion of a country's natural and cultural heritage. Crucially, tourism means poverty reduction” (Rifai, 2013; p.3).

There is a lot of literature on tourism and economic growth as one of the basic effect, because usually economic

growth, on one side, and employment and poverty reduction, on another, have the same trend or the same vector of changes.

The purpose of this paper is to analyze the possible contribution of small tourist entrepreneurship to unemployment problem in Georgia that today is so urgent for Georgian population. Moreover, Georgian policymakers have realized that unemployment is not only an economic, but also a political problem (Snip, 2011).

Choosing the topic of this paper we took into account international experience as well as peculiarities of Georgian economy.

Tourism and economic growth: Literature review

Traditionally the tourism product is considered as a “complex product”; in a technical sense it is composed by a set or a bundle of different goods and services which are demanded by visitors during their holiday in the destination (Candela& Figini, n/d; p.6). Transport, accommodation, catering, leisure activities, entertainment, hospitality, infrastructures, shopping, natural and artificial resources, and the like all belong to this basket in the many different combinations which different types of tourists may ask for.

Nowadays many developing countries pay attention to economic policies for promoting international and domestic tourism as a potential strategic factor for development and economic growth. Economic theory and practice of most countries reveal the close correlation between economic growth, on one side, and rise of employment and reduction of poverty, on another.

The tourism-led economic growth hypothesis (TLGH) postulates that tourism expansion leads to long run economic growth both in terms of income and employment (Martín; 2004).

There are a large number of econometric studies done on tourism and economic growth which prove causality between tourism and economic growth using different causality tests and econometric models. These studies can be grouped into broad categories, namely, single-country studies and country-group studies or cross-country and cross-regional data. Most of them have found that tourism positively stimulates the economic growth. In particular, in Greece GDP increases because of larger demand (Stefanos, Nedelea; n/d) and/or export growth (Dritsakis; 2004). The same conclusion was made for Chily (Brida, els; 2008), for Spain (Balaguer & Cantavella; 2002), for Mexico (Brida et al.; 2008), for Brazil (Brida et al.; n/d), for five Colombian regions (Brida & Monterubbianesi; n/d), for Italy (Brida & Risso, n/d), for Turkey (Gunduz & Hatemi; 2005), for Cyprus, Greece and Spain (Ivanov & Webster; 2006), etc. For developing countries E. M. Ekanayake, Aubrey E. Long (2012) conducted the study using a sample of 140 countries. Therefore, generally there is a recognized relationship between economic growth and tourism. But the latest research of 174 countries for the period 2000-2011 shows that this general trend may change. In other words, tourism contribution to economic growth is not constant. Specifically, in 2000 in 122 countries tourism had positive contribution while in 52 countries it, in fact, decreased the economic welfare of local population. The negative trend was reversed in 2004. It has revealed that tourism had quite different contribution to economic growth at the regional, sub-regional and country level. Results show that tourism had strongest contribution in Africa, Asia and Latin America and the Caribbean, while in Europe, Northern America and Oceania it had slight negative impact on growth (Brau, Liberto, Pigiariu, 2010; p.19). Of course, the determinates that cause such results should be examined separately country by country and period by period.

Interesting correlation between the countries specialization in tourism and their sizes was discovered as well. Specifically, the countries specializing in tourism tend to be small in size (Figini & Vici, n/d; p. 3) or being small is an advantage if tourism is a key sector of an economy (Ibid; p.7-8). Indeed, this theory shows the conditions under which a tourism-based growth process can flourish despite a lower than the average rate of technological progress within the sector.

The economic impact of tourism

In fact it is difficult to define and to measure the whole tourism contribution to an economy because tourists' expenditures go not only into clearly defined tourism sectors such as transport, hotels and recreation, but tourists also spend money in other sectors that are not directly associated with tourism. Economists usually appointed different

channels of tourism impact (Brida& Risso, n/d; p.2). In particular, tourism

- is a significant foreign exchange earner;
- has an important role in stimulating investments in new infrastructure and competition;
- stimulates other economic industries by direct, indirect and induced effects such as increase demand for local goods and services along with increase in demand for local factor of production, etc.;
- causes positive economies of scale;
- is an important factor of diffusion of technical knowledge, stimulation of research and development and accumulation of human capital;
- is a source of innovation and creation of identity for a destination;
- contributes to generation of employment and income;
- alleviates poverty;
- others.

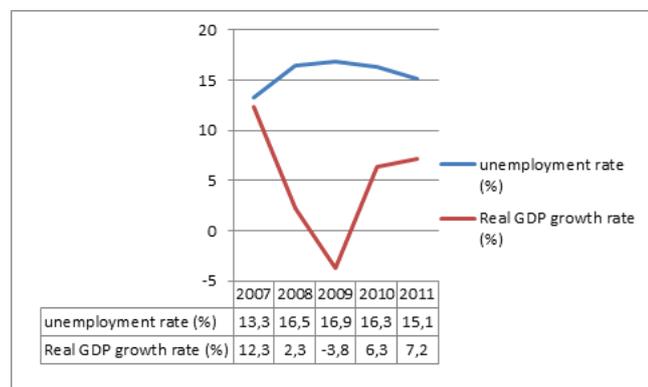
Following the purpose of this research, just related aspects of tourism contribution to country's development would be analyzed – economic growth measuring as GDP growth and generating of additional employment as a base of new incomes and poverty reduction. Due to the fact that tourism enterprises are typically small and medium in their size (SMEs) (Corpo & Gasparino, 2008; Hiranmoy, n/d; Kunst, 2011), the objective of our research would be tourist SMEs.

Economic growth and employment in Georgia: peculiarities

A typical macroeconomics course assumes that GDP growth causes increase of employment rate or decrease of unemployment rate. But as Georgian experience shows, it is not always the case. As Figure 1 depicts last decade unemployment rate has been stably high while GDP grows.

Specifically, at first sight, Georgia's unemployment rate is at around the mid-level for emerging countries. But in reality it understates the labor picture as many people who are considered to be 'employed' for statistical purposes are in fact also underemployed. For example, they are (a) hindered by insufficient pay, (b) irregular or seasonal employed, (c) "hidden" unemployed, in the group that includes "hopeless" or "discourage" workers; (d) "self-employed" (55%-65% of employed). This last group includes people who possess homesteads and mostly cultivate only for their family needs. Because these products cannot be included into GDP, the effectiveness of such employment is low. Besides, most of these people consider themselves as unemployed and are ready to work.

Figure 1. Dynamic of GDP growth rate and unemployment rate in Georgia



Source: GeoStat

Therefore, brief analysis of economic growth of Georgia finds out that, despite the successful FDI policy and impressive GDP growth in 2006-2007 (9.4% and 12.3%, respectively), and the 2010-2011 recovery (6.3% and 7.2%, respectively), with about 7% in 2012 (GeoStat), there is still a limited pool of job opportunities available. This paradox of growth needs special investigation and explanation that are out of the purpose of this paper. So, there is sense to distinguish employment/unemployment issues from economic growth. We focus on one specific policy domain, namely, small/medium businesses opportunities to generate directly employment (and incomes).

Tourist SMEs in Georgia

In most cases it is quite difficult to separate tourist SMEs issues from SME issues of other sectors of economy. This study focuses on both aspects.

Unfortunately, there is no generally agreed or universally applicable definition of SMEs. Different countries use different classification schemes. In Georgia there is no official legal definition of small or medium enterprises. As the National Statistics Office of Georgia states, until 2002 different criteria were used for determining size of enterprises. Thus, current classification of large, medium and small enterprises was not in place (GeoStat). The National Statistics Office of Georgia provides the following interpretation (Entrepreneurship, 2012; p.18-19). Small and medium enterprises are defined as entities of any organizational-legal form which do not exceed following limits for number of employees and annual turnover, respectively:

- For small enterprises - 20 employees and 500 thousand GEL;

- For medium enterprises - 100 employees and 1500 thousand GEL;

- For large enterprise – more than 100 employees and more than 1500 thousand GEL.

The new Tax Code of Georgia which entered into force in 2011, stipulates a new specification of businesses in Georgia as: micro-, small, medium, and large based on workforce and annual turnover output (Tax Code of Georgia; p. 115-117). In particular,

- Micro business is an entity with an income less than to GEL 30,000 and no employees.

- Small business is entity with an income less than GEL 100,000

Thus, due to the absence of official definition of a SME, statistical information on Georgian SMEs and tourist SMEs, in particular, is relatively fragmentary and not specific.

In 2008-2010 SMEs account for 95-96 percent of all private sector enterprises. In 2011 according to the number of operating enterprises, SMEs prevailed in most fields of economic activity, especially they were leading in hotel and restaurant sector (98,5%); real estate (98%); agriculture, hunting, foresting (98,7%); wholesale and retail trade (96%); transport and communication (92,5%); construction (96%); education (96%), etc., and even in manufacturing (96%). Large enterprises were concentrated, just in some industries, for example, in electricity, gas and water supply (37%) (GeoStat).

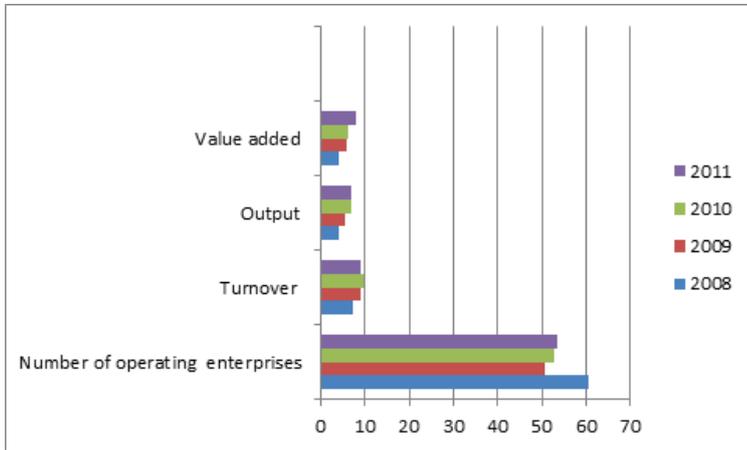
Due to the lack of information regarding tourism and, especially, small/medium tourism enterprises, to evaluate and to measure tourist SMEs contribution to national economy and employment, we aggregated statistics for tourism related industries - hotel and restaurant business, agriculture, fishing, retail trade and transport and communication. We do realize that this method has its limitation. On one hand, it does not cover the goods and services produced in other sectors of economy but consumed by tourists, for example, manufactured goods, health care services, etc.; on another, it includes the whole output of agriculture, fish, restaurant business, so on that is consumed not only by tourists, firstly, and double account results, on another. These calculations just help to reveal general trends.

In the five sub-sectors directly and /or partly related to tourism small and medium enterprises are most numerous, 50-60% of all registered enterprises (Figure 2). For economic analysis purposes information on turnover, output and value added as well as number of employed in SMEs of these five sub-sectors of economy is more relevant.

In 2011 in the structure of turnover the share of small and medium enterprises was in hotel and restaurant business 43.9%, in agriculture 35.2%, in trade 22.5%, in transport and communication 8.5% (Own calculation based on Entrepreneurship, 2012; p.28). Share of output by size of enterprises was the following: in hotel and restaurant business 44.9%, in agriculture 39.5%, in trade 23.2%, in transport and communication 7.1% (Ibid; p.39). In 2011 the share of value added by size of enterprises was distributed

as the following: in hotel and restaurant business 42.2%, in agriculture 44.8%, in trade 23.3%, in transport and communication 6.4% (Ibid; p.50).

Figure 2. Georgian tourist SMEs contribution to main macroeconomic indicators, percent



Source: Authors' calculations based on the data of The National Statistics Office of Georgia

Tourist SMEs contribution is much more modest. In particular, tourism related SMEs shares were in turnover less than 10%, and more modest in output and value added. Figure 2 summarizes the statistics .

Regarding employment, in 2011 sectors related to tourism employed the largest part of all employed in these sectors, for instance, in hotel and restaurant business - 67.8 %, in agriculture 66.4%, and in trade 53.5% (Own calculation based on Entrepreneurship, 2012; p.110). But totally the tourism sector employs less than 1/5 of total number of employed in last two years (Table 1).

Table 1.Share of employed persons by SMEs and tourist SMEs, per cent

	2008	2009	2010	2011
Employment in tourist SMEs	13.0	14.4	14.7	17.5
Employment in SMEs	37.5	39.7	41.2	43.4
Share of employed in tourist SMEs to employed in SMEs	36.2	38.0	37.3	42.1

Source: Authors' calculations based on the data of The National Statistics Office of Georgia; Entrepreneurship, 2012; Entrepreneurship, 2011; Entrepreneurship, 2010

According to the statistics of Table 1, SMEs have constituted an insignificant segment of Georgian economy regarding their contribution to employment. Share of employed persons in small and medium businesses in Georgia is less than that in European countries - around 40 percent compared to 60-70 percent, respectively. Comparison of employment in tourist SMEs vs. all SMEs gives the similar picture. In particular, despite tourist SMEs prevailed in number of registered enterprises, their share of employed persons in all employed in small/medium business is just about 40%.

One more remarkable fact is that most part of fixed assets is concentrated on large enterprises (in hotels and restaurants 76.9%, in agriculture 43.6%, in trade 89.8%, in transport and communication 96.7% (Entrepreneurship, 2012; p.96). The fact means that in the nearest future the gap between large and small/medium businesses including tourism related ones would not change, according the optimistic scenario or even it will become deeper, in more realistic scenario.

Conclusion

Internationally tourism is recognized as a growth-led factor. But economic growth in Georgia has specificity that may be called as “paradox of growth”. Particularly, last decade Georgia has “jobless” economic growth or GDP growth was not accompanied with increase in employment and even opposite happened: real unemployment increased.

Nowadays tourism has been considered among the top priority sector of Georgian economy (Support, 2011; p.11), on one side, and as statistics reveals in Georgia most part of tourist enterprises is small and medium in their size, on another.

All over the world SMEs is recognized as a critical element in creating vibrant market economies and as the shortest way to reach a high employment level (Transition economies, n/d; p. 3). This lesson has a vital importance for transition and emerging countries like Georgia.

The fulfilled short statistical analysis has shown that, tourist SMEs constitute a considerable number of SMEs in Georgia (half and more). Comparison analysis of tourist SMEs contribution and SMEs contribution to employment in Georgia shows that five tourism related sub-sectors (hotel and restaurant business, agriculture, fishing, retail trade and transport and communication) create about 40% of jobs inside SME sector. Therefore, the further development of tourism depends on success of the SMEs policy in the country. In other words, successful tourist policy should be oriented not only on sector-specific issues (e.g. investments in tourism infrastructures, improving transportation and telecommunication systems, applying subsidies and given funds and incentives to tourism related activities to develop alternative forms of tourism, promoting tourism in foreign countries and monitoring continuously the tourism activity, etc.) but on the basic interdependence between tourism and small and medium businesses development in the country.

References

Association of Greek Tourism Enterprises (2011). Retrieved November 2, 2012 from <http://www.sete.gr>

Balaguer, J. and Cantavella-Jordà, M. (2002) Tourism as a long-run economic growth factor: the Spanish case, Applied Economics, vol 34, pp. 877-884.

Brau R., Liberto A., Pigliaru F. (2010). Tourism and development:

- A recent phenomenon built on old (institutional roots)? Retrieved November 21, 2012 from <http://www.feem.it/userfiles/attach/20102161817494NDL2010-016.pdf>
- Brida, J.G., Carrera, E., Risso, W.A. (2008) Tourism's Impact on Long-Run Mexican Economic Growth, *Economics Bulletin*, Vol. 3, No. 7, pp. 1-10.
- Brida J. G., Punzo L.F., Risso W.A. (n/d). Tourism as a factor of growth: the case of Brazil. Retrieved October 5 from <http://ssrn.com/abstract=1336487>
- Brida J.G., Monterubbianesi P.D. (n/d). Causality between economic growth and tourism expansion: empirical evidence from some Colombian regions. Retrieved October 12, 2012 from <http://ssrn.com/abstract=1514044>
- Brida J.G., Risso W.A. (n/d). The tourism as determinant of the economic growth in South Tyrol. Retrieved November 17, 2012 from <http://ssrn.com/abstract=1335146>
- Brida J.G., Risso W.A., Bonapace A. (2008). The contribution of tourism to economic growth: an empirical analysis for the case of Chile. Retrieved October 9, 2012 from <http://ssrn.com/abstract=1298404>
- Candela G. & Figini F. (n/d). Tourism economics: a discipline of economics. Retrieved January 27, 2013 from <http://ssrn.com/abstract=1531548>
- Corpo B. D., Gasparino U. (2008). Effects of Tourism Upon the Economy of Small and Medium- Sized European Cities. Cultural Tourists and “The Others”. Retrieved January 27, 2013 from <http://www.feem.it/Feem/Pub/Publications/WPapers/default.htm>
- Dritsakis, N. (2004) Tourism as a long-run economic growth factor: an empirical investigation for Greece using causality analysis, *Tourism Economics*, vol. 10(3), p.305-316.
- Ekanayake E. M., Long A. E. (2012). Tourism development and economic growth in developing countries. *The International Journal of Business and Finance Research*, Volume 6, Number 1, 2012, p.34-56
- Entrepreneurship in Georgia (2012). National Statistics Office of Georgia, Tbilisi, Georgia
- Entrepreneurship in Georgia (2011). National Statistics Office of Georgia, Tbilisi, Georgia
- Entrepreneurship in Georgia (2010). National Statistics Office of Georgia, Tbilisi, Georgia
- Figini P.& Vici L.(n/d). Tourism and growth in a cross-section of countries. Retrieved November 17, 2012 from <http://ssrn.com/abstract=1531584>
- Gasparino U., Bellini E., Corpo B.D. Malizia W. (2008). Measuring the Impact of Tourism Upon Urban Economies: A Review of Literature. Retrieved January 25, 2013 from <http://www.feem.it/Feem/Pub/Publications/WPapers/default.htm>
- Gunduz, L. and Hatemi-J, A. (2005). Is the tourism-led growth hypothesis valid for Turkey? *Applied Economics Letters*, vol. 12, pp. 499-504.
- Hiranmoy R. (n/d). The Role of Tourism to Poverty Alleviation. Retrieved January 10, 2013 from at: <http://ssrn.com/abstract=1599971>
- Ivanov, S., C. Webster (2006) Measuring the impact of tourism on economic growth. *Proceedings of GEOTOUR 2006 Conference*, 7-8 October 2006, Kosice, Slovakia, p. 21-30.
- Kunst I. (2011). The role of the government in promoting tourism investment in selected Mediterranean countries – implications for the republic of Croatia. *Tourism and Hospitality Management*, 2011, Vol. 17, No. 1, p. 115-130
- Lanquar R. (2011). Tourism in MED 11 countires. *MEDPRO Report No. 1/July 2011*. Retrieved January 25, 2012 from www.medpro-foresight.eu
- Martín R.H. (2004). Impact of Tourism Consumption on GDP. The Role of Imports. Retrieved October 27, 2012 from <http://www.feem.it/Feem/Pub/Publications/WPapers/default.htm>
- Poll: Georgia's main problem – unemployment.(23.10.2009). *Georgia Times*. Retrieved June 14, 2011 from <http://www.georgiatimes.info/news/24118.html>
- Rifai T. (2013) Tourism in the new “New Economy”. UNWTO Secretary-General. Retrieved November 27, 2012 from http://dtxqtq4w60xqpw.cloudfront.net/sites/all/files/pdf/sg_nuevaeconomiaforum_spain_13.pdf
- Snip I. (May 2011). On the Protests in Tbilisi. Retrieved September 1, 2011 from <http://www.evolutsia.net/on-the-protests-in-tbilisi/>
- Stefanos K., Nedelea A. (n/d). Tourism and the economy in touristic countries like Greece. Retrieved January 29, 2013 from <http://ssrn.com/abstract=1268262>
- Support to the Private Sector in Georgia Formulation Study. Final Report (2011). Specific Contract N° 2011/268 761/1. Retrieved September 7, 2012 from http://www.undp.org/ge/files/24_1182_476920_private-dev-eng.pdf
- Tax Code of Georgia (In Georgian) (n/d). Retrieved June 1, 2011 from http://government.gov.ge/files/228_31388_281410_NewTaxCode2010.pdf
- The National Statistics Office of Georgia (GeoStat). www.geostat.ge
- Transition economies forum on entrepreneurship and enterprise development: Policy guidelines and recommendations. (n/d). OECD and UN. Retrieved June 3, 2011 from <http://www.oecd.org/dataoecd/22/43/33959424.pdf>
- World Travel and Tourism Council, *Travel & Tourism Economic Impact* (2011). London

Forecasting Number of Georgian Visitors to Turkey with Different Method

Ahmet SEKRETER

asekreter@ibsu.edu.ge
International Black Sea University
Georgia

Okan ERAY

okaneray@ibsu.edu.ge
International Black Sea University
Georgia

Abstract

Georgia and Republic of Turkey are neighboring country. Relation between two countries is increasing year by year. Tourism takes one of the important places between the countries for relation. Time series forecasting is significant for forecasting in monthly collected data. Accurate forecasting is significant for better planning and important in tourism demand. Exponential Smoothing, simple moving average, naïve method, deseasonalization and combining forecasting methods have been used to forecast Georgian visitor to Turkey.

Keywords: Tourism Forecasting, Exponential Smoothing, Simple Moving Average, Naïve Method, Deseasonalization and Combining Forecasting

JEL Codes: C53

Introduction

Georgia and Republic of Turkey are two neighboring countries the Black Sea Region and Caucasus. After independence of Georgia in 1991, relation between Georgia and Republic of Turkey began again. After following years relation between two countries developed in many areas. Thus protocol signed to visit to each country with ID Card. According to the protocol signed on 31 May 2011 that Citizen of Georgia and Republic of Turkey can be able to travel with an ID card between Georgia and Republic of Turkey from 10 December 2011. However number of visitors has increased.

Accurate forecast (Chen, 2011) is defined as build a sound foundation for better planning and administration. Time series forecasting is an important area of forecasting in which past observations of the same variable are collected and analyzed to develop a model describing the underlying relationship. (De Goojer & Hyndman, 2006) analyzed literature about time series forecasting from 1982 to 2005 and analyzed 940 papers also many papers have studied seasonal (monthly or quarterly) tourism demand from several countries of origin to different visiting countries (Athanasopoulos & de Silva, 2010).

Exponential Smoothing is one of statistical method which used for forecasting on time series and widely used in business and industry for extrapolating various type of univariate time series and one of the most successful method. Simple moving average method is basic of moving average and used by statisticians. Exponential smoothing model and

simple moving average methods are useful and powerful for future forecasting and used for pattern based on time series (Billah, King, Synder, & Koehler, 2006).

Naïve Method sometimes is called the last value forecasting method because; naïve uses a sample size of one when new relevant data exist to add in dataset. This method will perform poorly in seasonal data.

The process of deseasonalization is far from perfectly accomplished and some seasonal trace is usually present Invalid source specified. and step led to an improvement in accuracy for traditional statistical forecasting models. In the computational intelligence literature, deseasonalization has mostly been a beneficial strategy Invalid source specified.. A good approach when forecasting of a time series is to deseasonalize the time series for having the forecasting model focus on the short term or long term trends Invalid source specified..

Combining forecasts sometimes called composite forecast which was used in several areas such as tourism demand forecasting, macroeconomics problems, insurance and forecasting trade sales and price as an application and used for real world situations. It gets more accurate can reduce error in forecasting.

This paper is focused on forecasting number of Georgian visitors to Turkey. Hence reliable forecast is needed to plan in Georgian visitors to Republic of Turkey. Exponential Smoothing, simple moving average, naïve method, deseasonalization and combining forecasting

methods have been used.

Data Set

The data is taken from Turkish Statistical Institute which is state organization in Turkey. Data consists of the period between 2007 and 2011. Number of Georgian visitors who came to Turkey between these periods is taken into consideration to be forecasted in this study.

Methodology

Moving average

Moving average is defined as:

$\bar{Y} = (y_{t-n} + y_{t-n-1} + \dots + y_{t-1}) / n$ where y_t is the value of the series at time t and n is a positive integer.

So if n is chosen as 5 then we get

$\bar{Y}_1 = (y_1 + y_2 + y_3 + y_4 + y_5) / 5$ and

$\bar{Y}_2 = (y_2 + y_3 + y_4 + y_5 + y_6) / 5$ and so on.

Exponential Smoothing

Exponential smoothing is another technique that can be applied to time series data. This technique can be applied to smooth the series or it can be applied to make forecast. Exponential smoothing (ES) can be defined as follow:

$ES = \alpha A_{t-1} + (1-\alpha) F_{t-1}$ where $0 < \alpha < 1$, A_{t-1} is actual value in the series at time $t-1$, and F_{t-1} is previously forecasted value at time $t-1$.

Naïve Method

The Naïve forecasting is based on the simple assumption that the forecast value for the current period is equal to the actual value occurred in the previous period. It can be shown mathematically as follow:

$F_t = Y_{t-1}$ where F_t is the forecasted value at t period and Y_{t-1} is the actual value at $t-1$ period.

Deseasonalization

Seasonal index is calculated by using the ratio-to-moving average method in this study. Seasonal index is represented by a percent and it is based on a mean of 100. The moving average method with a span of 12 months is applied in this method and seasonal index is found. At the end, a correction factor is applied to each of the twelve means to force them to total 12.

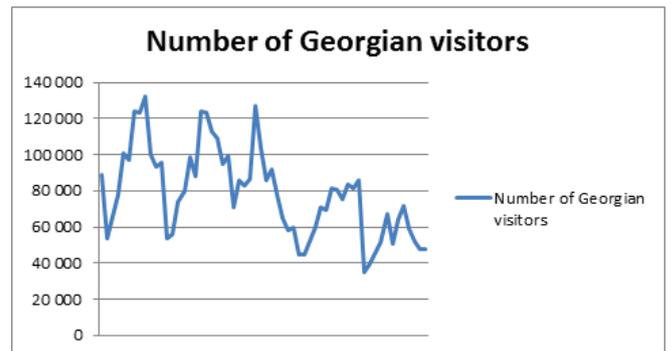
Combining Forecasting

Many researches show that combining forecasting increase the forecast accuracy. The method of combining in this study is done by taking simple mean of forecasted values that calculated by individual forecasting methods.

Performance Criteria and Empirical Results

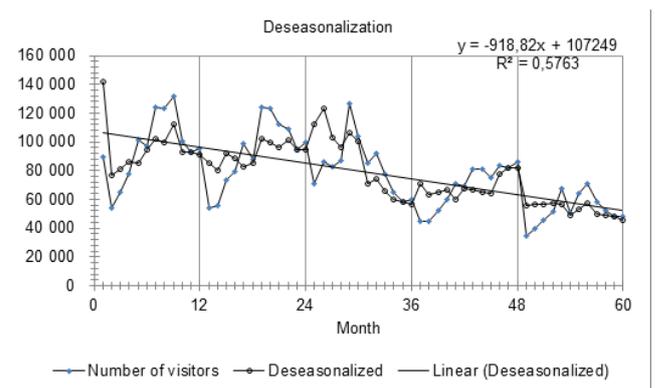
Mean absolute percentage error (MAPE) is used to evaluate performance of the applied forecasting methods in this paper. Number of Georgian visitors during the period of 2007 and 2011 is shown in the graph below. It is expected that the distribution shows a seasonal pattern. However in recent year an increase is observed and this affects the seasonal pattern.

Figure 1: Number of Georgian visitors during 2011 and 2007



The seasonal index is calculated for forecasting by taking 12 months as span of the seasonality. The Naïve method, Moving Average, Exponential Smoothing are also used for forecasting. The mean of 3-month data is used in the moving average method. The reason is to record data as a mean of quarter. Alpha as smoothing factor in the exponential smoothing is taken as 0,1. In the study it is observed that small value of smoothing factor gave better results.

Figure 2: Deseasonalization



In the final phase the mean of the forecasted values is calculated and these new values are taken as combining forecasting outputs. MAPE is calculated for each method. It is seen that combining forecasting method gives the best results among the forecasting methods. Moving average produced best forecast accuracy among the individual forecasting methods.

Table 1: Performance of forecasting methods

Forecasting method	MAPE
Naïve	16.71%
Exponential Smoothing	16.55%
Moving Average	16.22%
Deseasonalization	17.04%
Combining Forecasting	13.58%

Forecasting Hotel Arrivals and Occupancy Using Monte Carlo Simulation. *Journal of Revenue and Pricing Management* , 344-366.

Conclusion

This paper includes five different forecasting methods which are Naïve, Moving Average, Exponential Smoothing, Deseasonalization, and Combining forecasting method. These methods are used to forecast the number of Georgian visitors who came to Turkey between 2007 and 2011. It is found that combining forecasting method produces the less forecast error so it produces the best forecast accuracy. This paper provides the empirical evidence that combining forecasting method is suitable to forecast the number of Georgian visitors who came to Turkey.

References

- Ahmed, N. K., Atiya, A. F., El Gayar, N., & El-Shishiny, H. (n.d.). 50-NN3_Kamel_Atiya_et%20al.pdf. Retrieved April 2013, 26, from artificial Neural Network Computational & Inteligence Forecasting Competition: http://www.neural-forecasting-competition.com/downloads/NN3/methods/50-NN3_Kamel_Atiya_et%20al.pdf
- Andrawis, R. R., Atiya, A. F., & El-Shishiny, H. (2011). Forecast combinations of computational intelligence and linear models for the NN5 time series forecasting competition. *International Journal of Forecasting* , 672-688.
- Athanasopoulos, G., & de Silva, A. (2010, 2 22). Monash University. Retrieved 3 27, 2013, from Working Papers 2009: <http://www.buseco.monash.edu.au/ebs/pubs/wpapers/2009/wp11-09.pdf>
- Billah, B., King, M., Synder, R., & Koehler, A. B. (2006). Exponential Smoothing model for forecasting. *International Journal of Forecasting*, 239-247.
- Chen, K.-Y. (2011). Combining linear and nonlinear model in forecasting tourism demand. *Expert System with Application*, 10368-10376.
- De Goojer, j. G., & Hyndman, R. J. (2006). 25 years of time series forecasting. *International Journal of Forecasting* 22, 443-473.
- Huang, K., Moutinho, L., & Yu, T. (2007). An advanced approach to forecasting tourism demand in Taiwan. *Journal of Travel and Tourism Marketing*, 15-54.
- Lin, C.-J., Chen, H.-F., & Lee, T.-S. (2011). Forecasting Tourism Demand Using Time Series, Artificial Neural Networks and Multivariate Adaptive Regression Splines:Evidence from Taiwan. *International Journal of Business Administration*, 14-24.
- Zakharya, A., Atiya, A. F., El-Shishiny, H., & Gayar, N. E. (2011).

Chapter 2

CULTURAL TOURISM

Tbilisi - Batumi, GEORGIA
May 24, 2013 – May 26, 2013



Folk Museums as the Expression of National Identity

Sevdagul ALIYEVA

*Dr., Head of Regional Studies Department
Azerbaijan University of Languages
Azerbaijan*

Abstract

National customs and traditions are the nation's treasure. To explore and implement it to practical activity is the responsibility of everyone. The studying of national customs and traditions and exploring of their role in moral value system have been always topical matter. The customs and traditions had been changed and new ones had emerged. For studying what kind of changes had happened in present times we usually make a glance to the ethnography, explore the condition of formation of national identity. Azerbaijan has got cultural, national and ethnographic places of complex along with remarkable natural resources. Advantageous geographic situation, nine climatic zones, variety and richness of flora and fauna, the coastal lines, cultural-historical heritage, delicious cuisine, the high tradition of hospitality created favorable condition for the prospering of tourism in Azerbaijan. People's past, national-cultural values and their material samples of art are better demonstrated not only in historical museums, but also in ethnography and archaeology museums. In contemporary world people are tended to applied fields of science, that is why ethnography museums expressing the past times of people draw special attention.

After gaining independence the Republic of Azerbaijan started with the rehabilitation of its material and moral values and achieved success in creating ethnography museums immortalizing national history. One of such museums is Gala ethnography museum which is situated in Absheron peninsula and draws tourists' attraction. Gala museum complex with its rich, spirited exhibits are successfully demonstrated the factors which forms national codes of Azerbaijan people.

Keywords: folk museums, national traditions, national identity

Material and spiritual values and traditions are wealth of the nation. Sacred duty of each citizen is to learn and immortalize them in practical activity. Studying national traditions and their role in the system of spiritual values is always significant.

From the very beginning of the Stone Age, Azerbaijan culture and art has reached our times reflecting all the peculiarities of the history.

Being without statehood for a long time, Azerbaijan people's national and spiritual values underwent to deformation, they had restrictions on learning their religion and, as a result, traditions and national identity values have changed.

With the development of society, traditions have changed, new ones formed. In the modern world we usually look through the pages of ethnographic studies for knowing which changes happen in traditions and investigate the conditions how the national identity has formed. The national identity is one of the components of national thought (Xəlilov: 1961).

The basis of a national dignity is the subjective belief, nourished to all areas of social life surrounding a

man- individual of nation or people. To love motherland, to nourish deep love to the native land, to protect natural recourses and so on are associated with the social qualities of national dignity. Due to the national self-consciousness of a nation and ethnic group of people, they perceive with all fullness the historical development features, social and ethnic aspects of their social and spiritual wealth and express their opinion on this or any other fact related to it.

Experts say, commitment to homeland nature, respect and care for national traditions play an irreplaceable role in endowing the youths with moral and emotional feelings. A person with no knowledge of the history, language and culture of his or her own people does not have the sense of national identity.

Protection of the traditions, national values of Azerbaijani people against the background of globalization and integration, is amongst the priorities of the state. With the intent to ensure successful future of its citizens, the Azerbaijani state builds upon historical, cultural, heritable and ethnical roots and pursues a policy aiming at endowment of the youth with the sense of national identity and patriotic feelings. Today, our national and moral values and traditions are protected, accompanied with in-depth exploration of our history (Abbasov: 2009,).



Besides very rare natural resources, Azerbaijan is rich with cultural, national and ethnographic objects. Good geographical location, 9 types of climate zones, variety and richness of flora and fauna, seaside location, cultural and historical heritage, delicious cuisine, hospitality make our country very convenient for tourism development. National works of arts about daily life play one of the most important roles in Azerbaijani nation's rich art works (Muzeyşünaslıq:2002).

Ethnographic and archeological museums show even more precise picture of the ancient life, cultural values and material art works than history museums. Nowadays people are more attracted with the folk and ethnographic museums which show the way people used to live in past times (Haqverdiyev: 1982) .

Such museums create a platform for both domestic and inbound tourism. Culture and national values of Azerbaijan must be passed to future generations. As a matter of fact, national values can't be preserved and developed without its enrichment.

Nowadays, international tourism turned into one of the most rapidly developed areas in foreign economics. Generally, tourism, as a special service area, is related to people's international trips and travelling. Tourism widely started to develop from the second half of the 20th century. Republic of Azerbaijan, which is currently on the way of the public economics development, gives special importance to international relations. First of all, government made a judicial base for domestic tourism, and afterwards it joined international conventions. Today, there are all opportunities to develop all types of tourism in Azerbaijan (Muzeyşünaslıq:2002).

Nowadays Azerbaijan started to reconstruct material and moral values and it also succeed by taking examples of creating ethnographic museum from developed countries what will immortalize national history. One of such museums located on Absheron peninsula, Gala ethnographic museum, is beloved by tourists. Exponents in Gala museum complex are living evidence of the creation of Azerbaijani nation.

Due to the fact that Azerbaijan is a very young republic, it had a chance to take examples of industries from more developed countries. For instance, Norway is famous all over the world with its high level of tourism industry, and tight relations between Norway and Azerbaijan made an influence on our tourism.

Norway is located in the north of Europe. It gained independence in the beginning of the 20th century. Norwegians learn national traditions and keep identity. We could also mention that before, Norway was under the authority of Denmark, and then it united with Sweden. Norway became independent in 1905 and it is always trying to preserve cultural heritage from generation to generation. National values identify national identity of Norwegians. Nowadays, very few countries keep preserving national

values. Norwegian society, which is living with high standards respect its history, does not forget the path their ancestors made and pass it to younger generation. Wearing national cloth for special events is one of the examples of it. These special events are mostly organized in open-air folk museums in big cities. Folk museum, located in Bygdoy, Oslo is one of the largest ones. The area of the museum is 140.000 sq meters. As soon as you enter the museum which was established in 1894, you feel yourself in the atmosphere of old Norwegian village. The museum includes more than 140 buildings, mostly from the 17th and 18th centuries, gathered from around the country, rebuilt and organised according to region of origin. Paths wind past old barns, elevated stabbur (raised storehouses) and rough-timbered farmhouses with sod roofs sprouting wildflowers. The Gamlebyen (Old Town) section is a reproduction of an early-20th-century Norwegian town and includes a village shop and old petrol station; in summer you can see weaving and pottery-making demonstrations. Another highlight is the restored stave church, built around 1200 in Gol and shifted to Bygdøy in 1885. The visitors are the victims of Norway history. All the workers are in national cloth according to the season, and are involved in various works. When there is a free time, habitants dance, perform songs and ask guests to have a tea with them. There is a special wooden house where visitors can see how flatbrod (bread) is cooked and even taste it. We can also see the ceremony of weddings or funerals in ancient church. There are also school lessons in the museum on weekends, where tourists can observe real lessons. These all is very interesting for foreigners, but for Norwegians themselves it is a part of their life, and this museum forms national identity of children and youngsters.

Gala ethnographic and architectural museum was built in Azerbaijan in 2008. In Gala, which is situated in North-East of the Absheron peninsula situated 215 archeological monuments. Mosques, water houses (ovdan), bath houses, tombs, kurgans and etc. This is also the first "open air archeological ethnographical museum complex" в азербайджане. Kurgans, houses and other architectural monuments belonging to 3rd- 2nd millennium BC are set as their originals in this area. The ancient settlement Zira is constructed from stone layers in a round plan. The inhabitants of this place were engaged in cattle-breeding, fishing and hunting. The walls of the territory were strengthened by people with large stones-rocks in order to protect it from strong North winds (<http://www.gala-museum.org/>).

Gala museum plays an important role in structuring national cultural spirit in the people of Azerbaijan. It was created to preserve our cultural and historical heritage, to demonstrate how significant it is to save your culture and show its uniqueness. It became a popular touristic place, where foreign guests are able to feel themselves in ancient Azerbaijan. But, first of all, Gala keeps a national spirit, because as soon as any Azerbaijani sees the houses they ancestors used to live in, and the fields they were working in, they feel these invisibles threads which unite them.

Besides being a living museum, Gala is a venue, where national and cultural events take place. As an example, we can point out annual Novruz celebrations in this village on 20 and 21st of March. During these two days hundreds of people visit Gala village to be a part of Novruz holiday, feel the culture of this ancient nation and spend the day around the people who share your happiness. This holiday has a special importance for Azerbaijani people, because its roots go to ancient times, where the culture of Azerbaijan was in the middle of formation. That is why it is so important to keep this holiday and all the customs and traditions it has, because it is a real evidence of the richness of our heritage. During the holiday, various scenes are performed on a stage: scenes from dastans, national dances, songs, funny stories. At the same time, different games and competitions were organized, and the winners got prizes. Also, anyone has a chance to get beautiful henna ornaments on their hands or even faces, drawn by professional young ladies. Fortune telling, juggling, legerdemain and so forth were taking place. Gala village is the biggest and finest venue to celebrate Novruz in Baku city (Əsrlərlə bəhsə girən Qala).

There is also an annual November “Gala Autumn Festival”. The main aim of the festival is raster ethnic values of the villages, preserve national music and choreography, show how important autumn is for harvest in Azerbaijan. This festival is related to bread baking, cheese and wine making in village houses. This open-air museum is also a venue for pomegranate festivals, school programs and various exhibitions.

Resources

- Abbasov N. Mədəniyyət siyasəti və mənəvi dəyərlər. Bakı, 2009
- Azərbaycan tarix və mədəniyyət abidələrinin mühafizəsi cəmiyyətinin Nizamnaməsi Bakı, 1983
- Bayramov.A. Heydər Əliyev və muzeylərimiz. Bakı, 1992
- Haqverdiyev T. Abidələr tarixin sirdəşidir. Bakı, 1982
- Xəlilov C. Maddi mədəniyyət abidələrinin əhəmiyyəti və mühafizəsi. Bakı, 1961
- Mirəhmədov Ə. Bizim muzeylərin tarixindən. Bakı, 1961
- Muzeyşünaslıq. Bakı, 2002.
- Salamzadə Ə.V. Azərbaycanın memarlıq abidələri. Bakı, 1978
- Tarix və mədəniyyət abidələrinin qorunması haqqında Azərbaycan Respublikasının qanunu, 13 iyun 1998 –ci il. // Azərbaycan qəzeti, 19 iyun, 1998
- Norway. Society and culture. Kristiansand, Norway, 2005
- <http://www.gala-museum.org/>
- http://www.azadliq.info/index.php?option=com_content&view=article&id=3309:tarixin-qalas-qalankdi&catid=357:kiv Əsrlərlə bəhsə girən Qala
- <http://www.frommers.com/destinations/oslo/A20810.html> Review of Norsk Folkemuseum



Religious Tourism in Christianity and Islam

Kristina LAZARIDI

klazaridi@ibsu.edu.ge

International Black Sea University

Georgia

Abstract

Tourism is an important sector of an economy and governments pay a great deal of attention to its development, as tourism increases the economic position of a country, its standard of living and level of employment.

The following article examines religious tourism and its development, its types and characteristics and sites which can be visited. The author provides some recommendations to travel agencies with regard to organising tour packages.

Religious tourism is a type of tourism in which people travel with the purpose of visiting sacred places, in order to cure illnesses, pray for the forgiveness of sins, pray for relatives, perform acts of devotion, take part in religious ceremonies, fulfil vows or just satisfy their cultural needs and gather information. A strand of the modern tourist industry connected with religion has emerged, which involves organising visits to the cathedrals, mosques, churches and museums which are the monuments of the cultural and spiritual heritage of nations.

Religion occupies an important place in people's lives. During the Soviet period the USSR sought to eradicate belief in God. Many churches and monasteries were destroyed during Soviet times; belief in God was, in effect, prohibited. However, it proved impossible to kill people's belief in God. Today religious tourism is popular all over the world.

Keywords: Christianity, Hajj, Islam, Pilgrimage, Religion Tourism.

Introduction

Tourism is a multi-faced phenomenon of the contemporary world. It can be regarded as an industry, a market, an economic activity and a social movement (Zorin, Kaverina, Kwartalnov, n.d.). Tourism plays an important role in the development of an economy as tourism is associated with the money tourists spend in their host country.

The following article consists of an abstract, introduction, body and conclusion. The author has conducted an investigation of religious tourism. The first part of the article presents a short historical review of tourism and examines two types of religious tourism: pilgrimages and educational excursions. The second and third parts examine pilgrimages in Christianity and Islam, their main sites and points of interest. The fourth part examines the popularisation and organisation of religious tourism in Georgia and provides recommendations to travel agencies.

1. Religious Tourism

Short Historical Review of Tourism

Records of ancient peoples testify that people have travelled from the earliest times. The nobility, pilgrims and diplomatic envoys were the first international travellers,

their purpose being to conduct trade and commerce, obtain medical treatment and education and observe their religion. The Greeks and Romans were already travelling to Egypt in VI century BC., attracted by its rich history and extraordinary architecture. Herodotus (VI century BC.), Marco Polo (XII century AD), and other travellers left literature about their travels which is still read and referred to today. In Medieval Europe pilgrimages and educational excursions were popular, and the basic elements of tourism such as itineraries, food, translators, accommodation, etcetera emerged during this period (Zorin et al., n.d., chapter 2).

A well-known date for the emergence of the modern tourism is July 5, 1841 – a date associated with the activities of English entrepreneur Thomas Cook. The establishment of set tourist routes, reservations, traveller's cheques, tickets and guidebooks is attributed to Cook (“Thomas Cook”, n.d.; Zorin et al., n.d.).

The development of transportation means such as automobiles, buses and airplanes promoted the development of global tourism. However various wars had a negative influence on the development of tourism. The aggressive promotion of tourism as an industry really began in the 1990s, which is characterised as a “period of a high technology tourism industry which saw the development

of large transnational corporations, hotel chains and food enterprises in the countries with favourable conditions for tourism development” (Zorin et al., n.d., chapter 2).

Types of Religious Tourism

First of all, let us define what tourism means. According to Babkin (2008), tourism is the temporary departure of people from their permanent place of residence, in their free time, for the following or other purposes: health improvement, knowledge acquisition, professional, sport, religious, business and educational. Such departures should last not less than 24 hours and not more than 6 months. A tourist should not be engaged in paid activity in their place of temporary abode (chapter 1).

The following types of tourism are recognised: recreational; medical-health improving; knowledge; business; sport; ethnic; religious; transit and educational. The following article examines religious tourism.

Religious tourism consists of two types: pilgrimages and educational excursions. As stated, religious tourism is a type of tourism in which people travel with the purpose of visiting sacred places, in order to cure illnesses, pray for the forgiveness of sins, pray for relatives, perform acts of devotion, take part in religious ceremonies, fulfil vows or just satisfy their cultural needs and gather information. Visiting sacred places brings peace of mind, good fortune, pleasure and the rest for the soul. Pilgrimage is practiced and welcomed in Christianity, Islam, Buddhism and other religions (Babkin, 2008).

The word “pilgrimage” originates from the Latin word ‘Palma’ which means “palm tree”. Believers and other people greeted Jesus Christ and covered his route with palm branches during his entrance into Jerusalem prior to his Passion. Nowadays this event is celebrated as a great holiday by Christians and is called Palm Sunday.

Pilgrimage is motivated by a desire to make contact with a relic. It is travelling to holy places with religious motives: to touch a wonderworking icon and pray before it, touch a sacred relic, participate in religious services, receive good fortune, confess and receive instruction for future life. People want to pay homage to the places where the Saviour, prophets, apostles and other sacred personages lived and taught. Pilgrimage is useful for people’s souls because during a pilgrimage a person can come to understand what is his or her mission, concentrate on the spiritual side of their life, pray, participate in the liturgy, confess, take communion, reflect on life and reconsider their values. Visiting sacred places brings peace of mind, good fortune, pleasure and the rest for the soul. Pilgrimage is a voluntary renunciation of worldly comforts, an overcoming of difficulties in the name of atonement of sins. “According to the World Tourism Organisation (WTO), more than 200 million people go on pilgrimages each year” (Babkin, 2008, chapter 2).

Religious educational excursions are for those with

other interests than pilgrimage. The essence of educational excursions is increasing knowledge and expanding outlook. The aim of excursion tourism is visiting churches, temples, exhibitions, museums. It is motivated by a desire to contemplate the architectural beauty of the great monuments of spiritual and cultural heritage, to understand their history. They may be from different religious backgrounds, not necessarily from the religion to whom the site they visit is sacred, or indeed atheists.

Thus, the main difference between pilgrimage and excursion is the purpose of travel. However, there are some other differences as well. For instance, for pilgrims activities such as excursions, visiting museums, comfort and food have a lesser value. Pilgrims live and eat in churches and temples in order to fulfill an obligation. But for excursioners comfort and food are important; they travel with purpose of sightseeing, visiting museums and exhibitions, obtaining historical information, learning about the builders and dates of creation of churches, temples or other cultural monuments.

2. Pilgrimage in Christianity

Christianity is the world’s largest religion by number of adherents, who number 31.5% of the world’s inhabitants or 2.1 billion. Christianity originated in Palestine in the 1st century AD and consists of three basic strands: Orthodoxy, Roman Catholicism and Protestantism. The Georgian Church (part of the communion of Orthodox churches) was established by the Apostle Andrew in the 1st century. Christianity was declared the official religion of Georgia in 324 (Christianity, n.d.).

The major sites for Christian pilgrimage include not only Jerusalem but also Nazareth, Bethany and Bethlehem, all of which are connected with the birth and life of Jesus Christ. Pilgrimage to these places began in the III-IV centuries (Sokolova, 2002; Babkin, 2008). There are many places of Christian pilgrimage worldwide: for instance, there are many in Greece and Turkey because these states were once part of the Orthodox Byzantine Empire. Istanbul is a holy city for every Orthodox Christian. The main pilgrimage site in Greece is Mount Athos, to which only male pilgrims are admitted because it is a male monastic community. The main places for Orthodox Christian pilgrimage in Italy are the Basilica of Saint Nicholas in Bari and Saint Peter’s Basilica in the Vatican. Turin is also well-known for the Turin shroud, which is kept in the Cathedral of Saint John the Baptist. France is also a popular pilgrimage destination because the Crown of Thorns is preserved as a relic in Notre Dame, Paris. There are also many holy places in Russia, Ukraine and other post-Soviet countries.

Eight of the world’s eleven macroregions are recognised as centres of Christian pilgrimage: Europe, Latin America, North America, Western and Eastern Africa, Western Asia, South Asia, Southern-Eastern Asia, and Eastern Asia (Aleksandrova, 2002). The places mentioned above are merely a small sample of the destinations of



Christian pilgrimage.

3. Pilgrimage in Islam

Islam is a comparatively young religion, which originated in Arabia in the VII century AD and was founded by the prophet Muhammad. The appearance of the Archangel Gabriel to Muhammad in 610 and the revelation he uttered to Muhammad can be considered the origin of Islam. It is the second largest of the world's religions in terms of number of adherents and again consists of three main strands - Sunni, Shia and Sufism. Estimates of the number of Moslems vary between 1.2 and 1.5 billion people, or 23.2 % of the world's population by the higher estimate. The word 'Islam' means 'commitment to God' (Islam, n.d.; Babkin, 2008).

There are two types of pilgrimage in Islam: umrah and hajj. The hajj to Mecca is obligatory for every able-bodied Moslem at least once in his life. Members of other religions however are not allowed to visit Mecca. A pilgrimage is considered to be a hajj if it finishes at the Eid al-Adha and the pilgrim has conducted all the necessary rituals during the preceding 10 days (walking counter-clockwise seven times around the Kaaba, running back and forth between the hills of Al-Safa and Al-Marwah, drinking from the Zamzam Well, visiting the plains of Mount Arafat to stand in vigil and throwing stones). The umrah, or minor pilgrimage, is “a pilgrimage to Mecca which can be undertaken at any time of the year” (Babkin, 2008; Hajj, n.d.; Umrah, n.d.).

The main pilgrimage sites for Moslems are Mecca and Medina. Mecca is the city where the prophet Muhammad was born in 570. The Mosque Al-Masjid al-Haram is located in Mecca: this is the largest mosque in the world, with a capacity of 700,000 people. Today Mecca is closed to members of other religions, as Muhammad prohibited the entrance of non-Moslem people to the holy place of Islam. The Kaaba, which is “the most sacred site in Islam”, is a cuboid building located in the Al-Masjid al-Haram. Pilgrims walk seven times around the Kaaba in a counter-clockwise direction. According to legend, the Kaaba was constructed by Adam. The Black Stone, which dates back “to the time of Adam and Eve”, is in one of the corners of the Kaaba and it is considered an honour to touch it, as when Muhammad expelled the idols from the Kaaba he benevolently touched the Stone with his cane. The Kaaba is covered with a black silk curtain embellished with golden embroidery from the text of the Quran and is called the Kiswah. The door to the Kaaba is made of gold and weighs 280 kilogrammes. The Kiswah is changed to white in the period of pilgrimage. At the end of the pilgrimage month the old Kiswah is cut up and distributed to the pilgrims as a relic, and the Kaaba is covered with a new one, made each year in Egypt. Moslem people are endowed by the great gift from God by the Well of Zamzam, which is located near the Kaaba and is the holiest place in Islam. A chemist from United Arab Emirates has tested the waters of Zamzam and stated that the water is pure, and does not contain any substances harmful for human health (impurities, organic substances or metals). On the

contrary, it contains calcium, magnesium and various useful microelements, and similar research conducted by different European laboratories agrees with these conclusions (Islam, n.d.; Kaaba, n.d.; The Well of Zamzam, n.d.; Mecca, n.d.; Al-Masjid al-Haram, n.d.; The Black Stone, n.d.; Kiswah, n.d.; Babkin, 2008).

Medina is another holy place of Islam, as the prophet Muhammad is buried there. Pilgrims visit Mount Jabal Al-Nur, where Muhammad “received his first revelation from Allah through the angel Jibrail” (Hira, n.d.; Babkin, 2008).

Besides Mecca and Medina, which are historic and spiritual centres of Islam, Moslems visit cities such as Jerusalem, where the Mosque of Omar is located, Damascus, Baghdad, Cairo and Delhi (Babkin, 2008).

4. Popularisation and Organisation of Religious Tourism in Georgia

Tourism development is very important for the economy of any country. Despite the world economic crisis tourism is developing rapidly in Georgia. “According to recently updated information the number of international travelers was 4,389,256 in 2012, demonstrating a 56% increase over previous years. The growth in the Georgian tourism industry has been faster than that of the rest of the world's” (Georgia Tourism Industry Overview).

Georgia is one of the best countries for tourists, and is rich in religious tourism resources, as Christianity entered Georgia very early. There are lots of cultural and religious sites to visit.

Religious tourism is popular in Georgia. As mentioned above, there are two types of religion tourism: pilgrimages and educational excursions. These have different purposes: for pilgrims it is important to observe and touch the relics of the holy and wonderworking icons, pray, confess, receive the word and take part in other acts of devotion. Comfort, expensive food and excursions are not priorities for pilgrims. However, those taking part in educational excursions have other interests, and value high quality service, comfort, good food, professional guides; visiting sacred places is part of an excursion but not the main motive for taking part. Thus, when developing tour packages it is necessary to consider the motives of the tourists.

From my point of view, it is easier to organise educational excursions rather than pilgrimages because when organising pilgrimages it is necessary to take into account the following features: 1) whether monasteries accept pilgrims exclusively on the basis of a preliminary arrangement or the abbot's blessing; 2) whether monasteries will accept pilgrims for limited or unlimited stays; 3) whether monasteries provide accommodation with food or not; 4) whether monasteries have gender limitations; 5) whether monasteries take payment for providing accommodation with food or not; 6) whether monasteries have museums and libraries or not and 7) whether monasteries have Sundays schools, diocesan

schools, almshouses and other social facilities within their boundaries or not (Babkin, 2008). Only with this information can a travel agency construct a tour package which meets all the necessary requirements. Educational excursions also need to be competently organised, but fewer elements need to be taken into account when doing so. The various destinations should be convenient for visiting, the timing of the visits should coincide with the order and calendar of church services, as, for example, a lot of people attend church on the great feasts, making it impossible to conduct visits on those days, and guides should be sufficiently knowledgeable to answer questions as well as give explanations, making it desirable that they have some form of spiritual education.

Georgia has a tradition of religious tourism. Georgia is considered blessed by the Blessed Virgin Mary, who is patroness of Georgia. The Apostle Andrew first brought the message of Christ to Georgia, although Georgia did not accept Christianity as the state religion at that time: this occurred in 324, following the preaching of Saint Nino, from Cappadocia, who received a blessing to preach from the Blessed Virgin Mary, who presented her with a grapevine cross, now the symbol of the Georgian Church.

Georgia is rich in sacred places. There are lots of monasteries, churches and cathedrals, including:

- Svetitskhoveli Cathedral in Mtskheta, which is known as a “second Jerusalem” for the number of important sites it contains. Christ’s mantle is kept in Svetitskhoveli Cathedral, which was built in the XI century and is one of the holiest sites in Georgia. It is listed as a UNESCO World Heritage Site. Part of the relics of Saint Andrew, who preached in Georgia, are also kept at Svetitskhoveli. This site attracts a lot of religious tourists to Georgia.

- Jvari Monastery is also located in Mtskheta, dates to the VII century and is again a World Heritage Site. Saint Nino erected a wooden cross here. A small fragment of the life-giving cross of Christ is kept in the main Monastery.

- Samtavro Transfiguration Orthodox Church is also located in Mtskheta. Samtavro was built by King Mirian III in the IV century. It was reconstructed by King Giorgi I and Melkisedek in the XI century. The main relics are: part of the life-giving pillar, the wonderworking icon of Panagia Portaitissa, the wonderworking icon of Saint Nino and the relics of Shio Mgvime.

- The grave of Archimandrite Gabriel is also located in Samtavro. Many people visit his grave, putting crosses and other religious objects on it, thus connecting with him and receiving favour from him. Many miraculous cures occur at his grave, thus attracting more pilgrims.

- The Shio Mgvime Monastery is another monastery in Mtskheta. This was founded by the Assyrian monk Shio Mgvime in the VI century. Shio Mgvime is honoured as a wonderworker. This place also attracts religious tourists from all over the world.

- Another important site for religious tourists is Bodbe Monastery, originally built in the IX century, where the relics of Saint Nino are kept.

- The David Gareja monastery complex is located near Gardabani. It was founded in the VI century by David, an Assyrian monk. One of the three stones David took from Jerusalem was kept here. The story says that David went as a pilgrim to Jerusalem but felt unworthy to enter the place where God had walked. He therefore took three stones with him and turned back to Georgia. At the same time the Patriarch of Jerusalem saw in a dream that someone was taking all the spiritual power from Jerusalem. He gave an order to his servants to catch up with David and take the stones from him. David returned two stones but brought one back with him to Georgia as a relic from Jerusalem. Nowadays three pilgrimages to David Gareja monastery is regarded as equivalent to one pilgrimage to Jerusalem.

- The Gonio fortress also attracts religious tourists, as the grave of Saint Matthias, one of the twelve apostles, is believed to be inside.

- Blachernitissa Church, in Zugdidi, also holds important relics: the hand of Saint Marina, the cincture of the Theotokos, relics of Saint John and Saint George, and the part of the sponge from which Christ drank vinegar.

- Gelati Monastery was founded by King David IV the Builder in 1106, and is another UNESCO World Heritage Site.

- Alexander Nevsky Church, in Tbilisi, was built in 1864. Relics of Saint Mary Magdalene, Saint Nicholas, Saint Nina, Saint Shio Mgvime and other saints are kept in this church.

- The Anchiskhati Basilica of St Mary is the oldest surviving church in Tbilisi, dating from the sixth century.

- The other churches, cathedrals and monasteries which attract with their majesty, history, iconography, paintings, extraordinary architecture, frescoes, mosaics and the lives of those associated with them include Alaverdi, Gergeti, Gremi, Betania, Zedazeni, Ikalto, Lomisi, Nekresi, the Ateni Sioni, Saint Antony, Ninotsminda and many others (Dzentseolkovskaia, n.d.; Avantour, n.d.; Zugdidi Monastery of Blakhernay Virgin Mary, n.d.; Gelati Monastery, n.d.; Alexander Nevsky Church, n.d.; Anchiskhati Basilica, n.d.).

This abundance of sacred places promotes Georgia as an important world tourism centre and attracts the attention of international tourists and pilgrims. However, as Georgia possesses the necessary potential for its development it is necessary to create more favourable conditions for the development of religious tourism. Despite the great number of travel agencies in Georgia, “70% of travellers plan their trips by themselves. Only 16% of trips are organised by travellers’ friends or family members and 8% by employers. Travel company organised trips account for only 1.4% of the total” (Georgia Tourism Industry Overview, 2012).

To obtain more precise information about religious tourism the author interviewed with Archimandrite Antony Goliashvili of the Alexander Nevsky church. Father Antony stated that religious tourism has an educational and historical character, as through religious tourism people also study the social history of a state. The aim of religion tourism, in his view, is to get acquainted with religion (in this case Christianity), to see and conceive things which improve the soul, and to see, understand and touch holy relics.

Father Antony said that Georgia is rich in monuments of spiritual heritage: these include the monasteries founded by the thirteen Assyrian Fathers, Bodbe Monastery, Svetitskhoveli Monastery, and many others. Every monastery has its history and features: Svetitskhoveli is known for Christ's mantle, Bodbe for Saint Nino's relics, etcetera.

Father Antony once took a party of 500 pilgrims to Istanbul, of which half wanted to visit cultural and spiritual heritage sites and the other half go shopping. Every site visit was recorded on film, and the plan was that that evening the group would watch the resulting film together, hold a discussion and draw conclusions about the visit. Only half the pilgrims attended the screening, the ones who had visited cultural sites, as the ones who had been busy shopping were exhausted. This demonstrated that the party had been composed incorrectly, and that group composition is crucially important. Parties must be formed on the basis of common interests, as pilgrims and those seeking educational excursions have different intentions in going on a trip. A pilgrimage has a distinct programme. For instance, pilgrims confess on a Saturday and receive spiritual advice and on Sunday they participate in the liturgy and take communion. These should be the main elements of a pilgrimage.

Archimandrite Antony mentioned one travel agency which offers religious tours but does not make this distinction. This is because the purpose of the above-mentioned travel company is not to provide a high quality service and ensure customer satisfaction but achieve a high income. This is a mistake. A trip should stay in the memory and tourists should wish to return to the places they have visited.

Thus, the following recommendations can be given by the author to travel agencies. First of all, income should not be their main focus. They should concentrate on customer satisfaction, which means travel companies should form parties of people who have a common interest. The tours should be offered at reasonable prices and be well-organised and comprehensive to meet the needs of the tourists. Travel companies should also undertake more effective advertising, relaying impressive messages about the quality of their products.

Conclusion

Based on this research it is possible to draw the following conclusions:

- Religious tourism plays an important role in an economy because tourists spent money during their stay in a country;

- There are two types of religious tourism: pilgrimages and educational excursions;

- The purpose of pilgrimage is to visit holy places with the purpose of connecting with them, feeling God, “entering into” God, whereas the purpose of educational excursions is to gain knowledge;

- The main centres of religious tourism are Jerusalem, Nazareth, Bethlehem, Georgia, Mecca, Medina and many others;

- The list of sacred sites in Georgia demonstrates that Georgia is worthy to be called a “second Jerusalem”;

- Tourists do not use travel agencies, and therefore travel agencies should increase their quality and content of their tour packages and their prices and attract the interest of potential tourists through effective advertising.

References

- Al-Masjid al-Haram. (n.d.). In *The Free Encyclopedia Wikipedia*. Retrieved February 7, 2013, from http://en.wikipedia.org/wiki/Masjid_al-Haram
- Anchiskhati Basilica. (n.d.). In *The Free Encyclopedia Eikipedia*. Retrieved February 21, 2013 from http://en.wikipedia.org/wiki/Anchiskhati_Basilica
- Gelati Monastery. (n.d.). In *The Free Encyclopedia Eikipedia*. Retrieved February 21, 2013 from http://en.wikipedia.org/wiki/Gelati_Monastery
- Georgia Tourism Industry Overview. (2012). Retrieved February 17, 2013, from http://www.gnta.ge/sitecontent/wp-content/uploads/2012/12/Industry-Overview_ENG6.pdf
- Hajj. (n.d.). In *The Free Encyclopedia Wikipedia*. Retrieved February 7, 2013, from <http://en.wikipedia.org/wiki/Hajj>
- Hira. (n.d.). In *The Free Encyclopedia Wikipedia*. Retrieved February 9, 2013, from <http://en.wikipedia.org/wiki/Hira>
- Islam. (n.d.). In *The Free Encyclopedia Wikipedia*. Retrieved February 7, 2013, from <http://en.wikipedia.org/wiki/Islam>
- Kaaba. (n.d.). In *The Free Encyclopedia Wikipedia*. Retrieved February 7, 2013, from <http://en.wikipedia.org/wiki/Kaaba>
- Kiswah. (n.d.). In *The Free Encyclopedia Wikipedia*. Retrieved February 7, 2013, from <http://en.wikipedia.org/wiki/Kiswah>
- Mecca. (n.d.). In *The Free Encyclopedia Wikipedia*. Retrieved February 7, 2013, from <http://en.wikipedia.org/wiki/Mecca>
- The Black Stone. (n.d.). In *The Free Encyclopedia Wikipedia*. Retrieved February 7, 2013, from http://en.wikipedia.org/wiki/The_Black_Stone
- Umrah. (n.d.). In *The Free Encyclopedia Wikipedia*. Retrieved February 7, 2013, from <http://en.wikipedia.org/wiki/Umrah>

- Zamzam Well, (n.d.). In The Free Encyclopedia Wikipedia. Retrieved February 7, 2013, from http://en.wikipedia.org/wiki/Zamzam_Well
- Александрова А.Ю. (2002). Международный туризм. М.: Аспект Пресс. Retrieved from http://tourlib.net/books_tourism/aleks.htm
- Александро-Невская церковь (Тбилиси). (n.d.). Свободная Энциклопедия Википедия. Retrieved February 21, 2013, from [http://ru.wikipedia.org/wiki/Александро-Невская_церковь_\(Тбилиси\)](http://ru.wikipedia.org/wiki/Александро-Невская_церковь_(Тбилиси))
- Бабкин А.В. (2008). Специальные виды туризма. Ростов-на-Дону: Феникс. Retrieved from http://tourlib.net/books_tourism/babkin.htm
- Дзенцеолковская, Я. (n.d.). История Давид Гареджи. Retrieved February 17, 2013, from http://georoute.ge/History_of_David_Gareji
- Avantour. (n.d.). Достопримечательности Рустави – Давид Гареджи. Retrieved February 19, 2013 from <http://www.advantour.com/rus/georgia/rustavi/david-garedzhi.htm>
- Зорин И.В., Каверина Т.П., & Квартальнов В.А. (n.d.). Туризм как вид деятельности. Retrieved from http://tourlib.net/books_tourism/zorin.htm
- Зугдидская церковь Влахернской Божией Матери. (n.d.). In The Free Encyclopedia Wikipedia. Retrieved February 19, 2013, from http://ru.wikipedia.org/wiki/Зугдидская_церковь_Влахернской_Божией_Матери
- Паломничество. (n.d.). In The Free Encyclopedia Wikipedia. Retrieved February 7, 2013, from <http://ru.wikipedia.org/wiki/%CF%E0%EB%EE%EC%ED%E8%F7%E5%F1%F2%E2%EE>
- Соколова М.В. (2002). История туризма. М.: Мастерство. Retrieved from http://tourlib.net/books_history/sokolova.htm
- Томас Кук. (n.d.). Retrieved February 27, 2013, from <http://www.vmireinteresnogo.com/article/thomas-cook>
- Христианство. (n.d.). Свободная Энциклопедия Википедия. Retrieved February 3, 2013, from <http://ru.wikipedia.org/wiki/Христианство>

Tourism as a Catalyst of Globalization in the Sphere of Using Cultural Heritage

Nana AKHALAIA

*PhD in Economics, Professor
Gori University, Georgia
akhalaia.n@gmail.com
598548691, 577251207*

Abstract

Cultural heritage has already been connected with tourism industry for a long time. On the one side, cultural heritage is one of the inevitable resources for the regional and international development, and on the other side, it is a real economical and managerial category. In the 80s of the XX century UNESCO specialists formed those main positions of the cultural heritage policy, which later became basis of the cultural heritage management. It includes two main postulates: “Don’t destroy cultural heritage” and “Take care of it”. The rest of the policy paragraphs concern economic and educational value of the objects of cultural heritage, overcoming poverty by the help of the cultural heritage, etc. Cultural heritage can be formed as a multilateral system of the relationship between individuals and different institutes, which unifies: the state, regional, national and global organizations, educational institutions, scientists, specialists, ordinary officials of the cultural heritage sphere. Afterwards, the essence, strategy and tactics of the cultural heritage are formed.

Tourism is a significant instrument for joining the informational, economic and political processes of the cultural heritage. It is considered as a guarantee of the global process development in the cultural heritage sphere, and also as the most effective tool for attaining mass requirements and cultural values. Tourism is a dynamic process and influences on the traditions, changes them, and in the case of their absence creates them artificially. The same happens in the sphere of nonmaterial heritage. Regions and territories, where there are no objects of material heritage, create them artificially. Hence, it follows that, tourism can be named as the globalization catalyst of the sphere of heritage usage.

Keywords: Globalization, Cultural heritage, Material heritage, Cultural tourism, National identity, Georgia cultural tourism.

Introduction

Globalization, education, economics, health security, cultural individualism, tourism development and security – these are questions, on which together with the Georgian scientists French, Turkish, American, Ukrainian, Bulgarian, Azerbaijanian, Polish, Rumanian, Armenian, Russian and other foreign scientists have worked too.

Cultural heritage has already been connected with tourism industry for a long time. On the one side, cultural heritage is one of the inevitable resources for the regional and international development, and on the other side, it is a real economical and managerial category. Cultural heritage is a significant factor for the formation of the national cultural identity, spiritual and historical heritage, and also its usage is an important instrument of the global structure policy. In the 80s of the XX century UNESCO specialists formed those main positions of the cultural heritage policy, which later became basis of the cultural heritage management. It includes two main postulates: “Don’t destroy cultural heritage” and “Take care of it”. The rest of the policy paragraphs concern economic and educational value of the objects of cultural heritage, overcoming poverty by the

help of the cultural heritage, etc. Cultural heritage can be formed as a multilateral system of the relationship between individuals and different institutes, which unifies: the state, regional, national and global organizations, educational institutions, scientists, specialists, ordinary officials of the cultural heritage sphere. Afterwards, the essence, strategy and tactics of the cultural heritage are formed.

Tourism is a significant instrument for joining the informational, economic and political processes of the cultural heritage. It is considered as a guarantee of the global process development in the cultural heritage sphere, and also as the most effective tool for attaining mass requirements and cultural values. Tourism is a dynamic process and influences on the traditions, changes them, and in the case of their absence creates them artificially. The same happens in the sphere of nonmaterial heritage. Regions and territories, where there are no objects of material heritage, create them artificially. Hence, it follows that, tourism can be named as the globalization catalyst of the sphere of heritage usage. [1]

Protection of the material heritage has a special role in the development of the cultural tourism development. UNESCO - United Nations Educational, Scientific and

Cultural Organization maintains the protection and rehabilitation of the world famous and unique monuments. It is a specialized agency of the UN, which was established in 1945. Its aim is to promote the spreading of education and culture, science development, respectation of the general human rights despite of race, gender, language and religion for the interests of peace and international security.

In 2004 at the General Conference of UNESCO there was accepted the “Convention about Protecting and Encouraging Various Forms of Cultural Identity”. This convention is a base that the unique forms of different cultures will not destroy in the conditions of globalization.

In 2012 UNESCO counts 962 cultural monuments of the world cultural heritage, among them: 0,34% Georgian monuments, 1% - Turkish, 0,34% - Armenian, 0,2% - Azerbaijanian, 2,6% - Russian.[3]

Cultural tourism is developed in those countries, where vindication of the national identity is of a great importance, especially among not numerous people, who struggle against assimilation. That's why in such kind of countries, tourist companies plan specific tours to significant and considerable places and museums.

There are important aspects in tourism development and organization in the sphere of the cultural heritage, which are actively discussed. On the background of the ongoing fast changes in the world, the most important question – protection of the cultural heritage is paid less attention. This is the primary problem and the base of all the sciences connected with the cultural heritage. In the convention “The World Cultural and Natural Heritage” by UNESCO is mentioned that this heritage is under greater danger because of the traditional reasons of damage and evolution of socio-economic life. This concludes that there should be worked out a system of harmony between the cultural heritage and tourism, which will be based on the educational programs.

Tourism as a strong instrument of the cultural heritage should be analyzed in the context of the international format, which will share the greatest experience existing in this sphere. Then it will promote the perspectives for culturologists, historians, sociologists and economists. Currently, culture nearly totally is released from the ideological press, but the questions of the financial shortage is actual, as the existence of the cultural heritage is subordinated to the laws of the market economics.

The world populations should express their creative possibilities to pass their historical path though centuries in order to continue own existence. Cultural heritage – the instrument which maintains gaining this aim, unifies the part, present and future. Culture, including tourism, is a base of development. Cultural heritage – this is the key of relationship with different people, permanent dialogue with different civilizations and cultures.

Tourism, except protecting cultural heritage, has

other important interests as well: rising national and local self-consciousness, intercultural dialogue in the conditions of the differences between different cultures, “teaching people living together.” Understanding that the difference between cultures is richness, which can be shared with other nations too.

The role of tourism is to highlight the cultural diversity of a country and its importance. All the above mentioned aspects determine the great importance of the cultural tourism, leads the interests of society for the protection of the cultural diverse and heritage.

A number of projects are dedicated to the regional collaboration for the cultural heritage development, which aim to improve the environment for the heritage management and promote the smartening of heritage sector in regions, achieve the viable protection of the cultural heritage and its integration in the sphere of the economic development.[1]

Armenia, Azerbaijan, Belorussia, Georgia, Moldova and Ukraine are those partner countries, which work on the following questions: working up the national conception of heritage; raising the qualification of the groups of interests with the aim of growing the role of heritage in the sphere of steady economic development; improvement of the regional collaboration and sharing experience with the regions of eastern partnership and between the region and the countries of the EU; supporting civil society involve in the process of planning and decision making. Such collaboration plays an active role in protecting the cultural heritage of humankind and promotes strengthening the cultural rights and cultural diversity.

The importance of tourism gradually grows for the world heritage objects, which includes opportunities and danger at the same time. The World Heritage Center was instructed to work out a program for the world heritage tourism development. The program aims to assist the World Heritage Commission and principles of the objects use tourism as a positive factor to vindicate the world heritage objects and avoid possible danger. It is supposed that the World Heritage Center, which will work together with tourist companies, will play an important role in requiring the international relations and local products.

Applying methods

The cultural tourism includes all the directions of tourism, which are connected with the popularization of the national history, culture, ethnography, material and spiritual heritage. Two main aspects determine the cultural tourism: 1. Cultural tourism economics (market study, planning, analysis) and 2. Essential (working out forms, types, topics, tours and excursions for cognitive travelling).

The local people cannot always understand the global importance of the cultural object and the reason why this object is given the status of being under the special protection. Educational programs can eradicate this

problem. When people get to know the value of an object, the respect, self-consciousness and pride grows towards it, then as a result, the wish to protect and take care of the object increases which is not shaped only by economics.[2]

The income from tourism is based on the sum spent by the visitor while visiting the objects of the world cultural heritage, and different kinds of donations as well. At the same time, the objects of the world heritage can attract tourist companies, which will attract and increase the interest among the local people. The tourist partners will be given a chance to improve creative approach for increasing financial income. The role of the cultural tourism is greatly important for keeping and protecting the world heritage.

On the one hand cultural heritage, both material and nonmaterial is in danger, on the other hand it attracts great attention on municipal, national and international level. Cultural variety of the world populations is the question of a great interest for the humanity.

Currently, the list of the most important monuments are determined according to the requirements of the international tourist market. Those monuments will be first ones in the list of the tourist tours in the frames of the program. These monuments are bases of the cultural tourism and the authority should take care to settle the proper infrastructure around them.

The competitiveness of the tourist product of cultural tourism – cultural tour is proportionally depended on the value and infrastructure of the demonstrative object, which in most cases are around the demonstrative monuments. So, in Georgia cultural tourism development should be planned after taking into consideration their historical-architectural values and infrastructure around them.

Cultural tourism is characterized by organization vast cognitive tours. In this direction, there should be analyzed the joint market opportunities with Armenia and Azerbaijan. Also, there should be ascertained expediency of using the joint market with Turkey and Russia as well.

Tourism development should be implemented: by the global approach, cooperation between different branches, collaboration with public and private sectors, non-governmental organizations, scientists, citizens and by the unified effort of the local population.

Georgian national identity has always been connected with the cultural heritage. The connection between the past and present is strong even nowadays. Ancient culture is a indivisible part of the modern thinking and self-consciousness and is not understood as only a memory of the far past. Accordingly, taking care of the cultural heritage traditionally is deeply inculcated in the consciousness of the society.

References

- Regional co-operation for Cultural Heritage Development. IRCCHD. Eastern Partnership Culture Programme 25.04. 2012
- Management of Tourism and Entertainment A. Oqroztvaridze Tb. 2011
- <http://www.heritagesites.ge/>

Real and/or Virtual Tours to Mount Ialbuzi/Elbrus/Passa

Natela POPKHADZE

aiiaiberiakarti@gmail.com

Phazisi National Academy

Georgia

Abstract

Mountain peaks and slopes are a great attraction for travel and tourism. Mountains have always been a great attraction for humans' imagination. High peaks were considered to be the areas where one or several gods or goddesses and/or some national heroes lived (or were buried there). I shall talk about my experience of many visits from Tbilisi to mount Ialbuzi//Elbrus//Passa. The scenery is beautiful in every time of the year there. My impressions of those visits concerning who lived there, what languages were spoken by the local population, what was their national food, what music was popular there may add to the already published writings of other persons.

The history of the mountaineering of this area will be reviewed in a nutshell, including tours of the local inhabitants as well as of the English mountaineers in XIX c. The situation of mountaineering in the area in 1942-1954-ies will be overviewed with videos and press materials. Propositions published by various authors aimed to improve the security, peace and the stability in the area will be presented, including my own. Many persons desire to visit the area where this mountain is situated. Persons that visited the area recently share the knowledge as to how a visa can be obtained if one travels the area from the northern or from the southern countries. I propose to produce a virtual educational 30 minute video that will inform people at large about the ancient and modern history of the area and of the mountaineering at large.

I shall talk about my own experience of many visits from Tbilisi to mount Ialbuzi//Elbrus. I spent over two months every year for decades in 1980-ies in winter, in spring and in summer there. I shall talk about my impressions of those visits. I shall talk about the impressions of visitors available on the WWW this 2013 year and in the previous years. Videos of the area during ascents to the top of the mountain Ialbuzi will be demonstrated. The history of the mountaineering of this area will be reviewed in a nutshell, including tours of the English mountaineers in XIX c. The situation of mountaineering in the area in 1942-1954-ies will be overviewed with videos and press materials. I shall present excerpts from the poem of Vazha-Pshavela entitled Ialbuzi. Propositions published by various authors aimed to improve the peace and the stability in the area will be presented, including my own.

I shall talk about my own experience of many visits from Tbilisi to mount Ialbuzi//Elbrus. I spent over two months every year for decades in 1980-ies in winter, in spring and in summer there. The scenery is beautiful in every time of a year there. I shall talk about my impressions of those visits: who lived there, what language was spoken by the local population, what was their national food, what music was popular there. I shall talk about the impressions of visitors available on the WWW this 2013 year and in the previous years. Videos of the area during ascents to the top of the mountain Ialbuzi will be demonstrated. The history of the mountaineering of this area will be reviewed in a nutshell, including tours of the English mountaineers in XIX c. The situation of mountaineering in the area in 1942-

1954-ies will be overviewed with videos and press materials. I shall present excerpts from the poem of Vazha-Pshavela entitled Ialbuzi. Propositions published by various authors aimed to improve the peace and the stability in the area will be presented, including my own.

Guests/travelers/tourists/visitors ought to be told that mountain peaks and slopes are a great attraction for travel and tourism. Mountains have always been an impressive attraction for humans' imagination. “You are a great mountain” (kur-gal)– is a translation of the phrase often inscribed in the cuneiform Sumerian and Akadian texts dedicated to kings of Kardunia in II millennium BCE. That phrase is used by the Kardu/Kartu/Georgian authors in 13th c. CE when talking of mepet-mepe (king of kings (sar sarum is the equivalent known in the cuneiform Sumerian and Akadian texts) Tamar of Kardu/Sakartuelo/Georgia. In the Sumerian texts “the mountain’ is rendered by the word kur and the word great is gal. The letter “u” in kur stands for both “u” and “o”, as there was only one Sumerian sound for both vowels. The Sumerian word “kur’ (mountain) can easily be seen in the word “gori’/’gora’ of modern Kartuli/Georgian language. The above-mentioned text concerning mepet-mepe Tamar has the word “mta’ (mountain” also in modern-day Kartuli) and not “gora/kur’, but the idea itself is preserved there in the 13th c. CE, despite the span of over twelve centuries since the Sumerian cuneiform signs stopped to be used. High peaks were considered to be the areas where one or several gods or goddesses and/or some national heroes lived (or were buried) there. I shall talk about my experience of many visits from Tbilissi to mount Ialbuzi//Elbrus//

Passa. I used to spend over two months every year for over a decade in 1980-ies in winter, in spring and in summer there. The scenery is beautiful in every time of the year there. My impressions of those visits concerning who lived there, what language was spoken by the local population, what was their national food, what music was popular there, may add to the already published writings of other persons. I brought photos of those visits and investigations of the local inhabitants at the bazaars, schools and other public areas. Several photos were made for me by a famous journalist from Kiev; the man happened to visit the area in order to make photos for popular journals in Kiev. He proposed very colorful photos of the locals during my interviewing them – for the first page of the cover of the popular journal. The editor in Kiev told him he and his journal would willingly publish photos if the interviewer were a Ukrainian person. He sent me those photos and I keep them in my archive. According to the Treaty adopted by our king Irakli II/Heraclius II and the Russian Empress Catherine II, the area of the mountain Passa/Ialbuzi and the area situated even north of it including modern towns Georgi's place/Georgievsk and Mineraluri tsqhalebi/Mineral Waters (with the latter's great international airport - were to belong to king Irakli II and his (also my) nation/ethnicity - the Kartuels/the Georgians. The text was written in the Kartuli/Georgian language (of king Irakli II) and in the Russian language (the language of the empire that Catherine II ruled). This Official Treaty was signed, ratified and published the same year 1783 in both languages in the official book of laws of the Russian Empire. It was published in both languages afterwards again several times. The Kartuli/Georgian text is kept in Tbilisi at the National Center of the Manuscripts at Aleqsidze Street, Building No. 3. The manuscript was scanned and is displayed at its website, though the two official red seals only can be seen on the folded manuscript on the photo displayed there; on clicking on the link, the video of the event that is unrelated to the Georgievsk Treaty pops up. It is important that the vast group of persons learn what the indigenous area of our nation/ethnicity is. Prof. Mose Janashvili has the most informative material on this theme in both published and unpublished writings. What was the northern border, northern area of the kingdom of his nation/ethnicity in king Aieti's/Aia-eti's days? Which nation/ethnicity had the earliest kingdom in that area? His answer is that king Aiaeti was the first known king there and in the adjacent vast area including the lowlands of the Don and the Volga rivers. I advise readers to read that text of Prof. Janashvili in Kartuli/Georgian (Janashvili 1906: 8-56).

Mount Passa/Ialbuzi is mostly famous for being a place where one of the goddesses Dali by name, delivered an amazing son and called him Amirani. The mother died, the boy was raised by Sulkalmakhi. Sulkalmakhi was considered to be the first name or the second/family name of that man. Many folklore texts of this epic have come down to our days and were published several times. Some have been translated into English, French, German and Russian languages. Prof. Jemal Sharashenidze has published a very informative book entitled Sulkalmakh's institute in Sumer (Sulkalmakhis

instituti shumershi. Logos Publ. Tbilissi, 2008).



Figure I Map of the area ruled by king Aieti, his sister Tsiratsa/Circea/Kirke and his daughter Medea the Healer. (offered to readers by the author based on the oral and literary traditions);

In the fifth chapter of that book Prof. J. Sharashenidze wrote about the etymology of the name Sulkalmakhi, mentioned in the famous Kartuelian/Georgian epic concerning the hero Amirani, entitled "Amiraniani"/ Life and deeds of the hero Amirani. Prometheus is a semi god hero mentioned in the Hellenic text published many times as jailed and chained by god Zeus to the cliff of the Caucasian mountain cave (and not to some mountain in Hellas/Greece). Hence Prometheus is a modified name of Amirani. The word amirani itself has a meaning of "seeing" in the cuneiform Sumerian ancient texts. The name Prometheus literally means "he that is able to see events that will happen in future times". This peculiarity is very rare and much esteemed throughout the entire history of humankind in all cultures and civilizations. Visitors of mount Passa/Ialbuzi will be interested in listening to the declamation of the "Life of Amirani" and "the Deeds of Prometheus". This topic will make a narrative and declamation for several days.

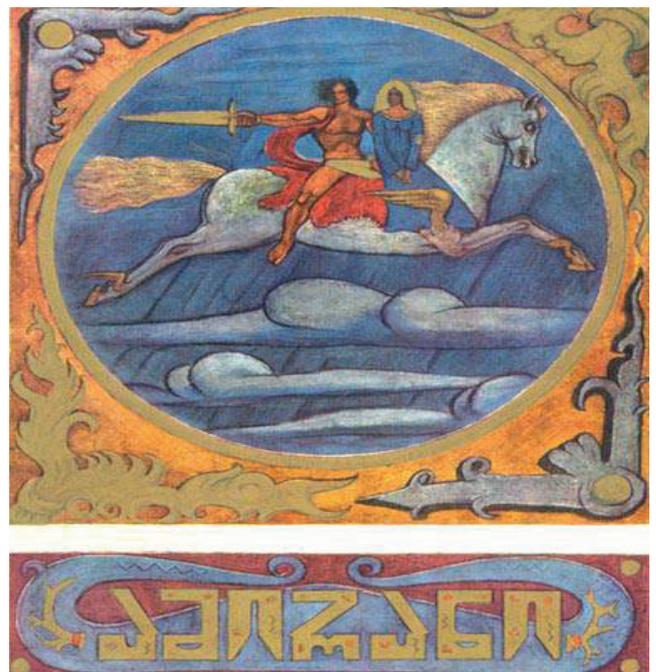


Figure II Cover of the Epic about Amirani. Tbilisi. Merani publishers. 1978.

I recall with great pleasure that during my several stays at Terskol hotel situated at the foot of the Passa/Ialbuzi mountain, the beautiful middle-aged lady that was a director of the library of that hotel, arranged monthly evening meetings of reading poetry of various times by various persons. The room of the library used to be beautifully decorated for the event and the light was “of former centuries” – only the chandeliers were glimmering here and there. Most of the guests of the hotel, participants, arrived ready for that event, ladies in long gowns, men appropriately neatly dressed. They made artistically very attractive declamation of their own verses and/or verses and poems written by world-renowned authors. During my oral presentation at the conference in Batumi in May I shall talk about the impressions of the recent visitors to that mountain. Their texts, photos and videos are available on the WWW for this 2013 year and for the previous years. Videos of the area during ascents to the top of this mountain are also available on the WWW and will be demonstrated, if time permits. One of the greatest topics is the history of the mountaineering in this area and in the world throughout millennia. This topic will need telling that history for hours. It ought to be reviewed in a nutshell, including talk about tours of the local inhabitants as well as of the English mountaineers in XIX c. to this mountain. Parts from books published by travelers Douglas Freshfield, Vittorio Sella concerning their visits to this area will be very informative. The situation of mountaineering in the area in 1942-1954-ies is a special theme that may be overviewed with videos and press materials. Books and articles in several languages have been published on that topic. Guides can present excerpts from the poems of several salient poets where this mountain is mentioned. One can illustrate the impact of the beauty and might of the Mount Passa/Ialbuzi by the text of the epic poem of Vazha-Pshavela entitled Ialbuzi. Propositions published by various authors aimed at improvement of the security, peace and the stability in the area will make a theme of the paramount importance. Unfortunately, there are periods when the security in the area is insufficient for peaceful life and travel. The British Touristic department warned the citizens to abstain from visits to the Northern Caucasia at large and the Russian Official department protested declaring all was secure there in 2013. Still many persons desire to visit the area where this mountain is situated. Persons that visited the area recently share the knowledge as to how a visa can be obtained if one travels the area from the northern or from the southern countries. I propose to produce a virtual educational 30 minute video that will inform people at large about the ancient and modern history of the area including a brief history of mountaineering at large.

Mountaineering started millennia ago. A body of an ancient mountaineer was discovered and excavated in the Alps in the ice and snow a couple of years ago. Two modern republics: Italy and Switzerland quarreled as to which republic the find ought to be given as the body was discovered near the modern border between these two republics. The

corps of the ancient mountaineer that was shot with an arrow many centuries ago was carried to the museum with the long escort of the police of the republic; scholars feared that the ancient find might be stolen and/or kidnapped on the road to the town, inasmuch as any museum in the world would desire to have that relic of mountaineering and would be glad to pay a great some of money. I saw that procession through the Alps to the town on the Television in Tbilissi.

Another testimony of the ancient mountaineering is preserved in the text of the ancient literary piece entitled “The story of Gilgamesh”. It has come down to our days copied in the Sumerian, Akadian and Hittite texts all written in the interrelated cuneiform scripts in king Assur-banupali’s library.

During the Soviet times in XX c. the writers living in the USSR somewhat near the mountain called that mountain by several names: Passa, Ialbuzi, Elborus and proudly wrote that the highest peak in Europe was situated in the USSR. Before the Soviet times, Luka Razikashvili better known by his literary name Vazha-Pshavela, meaning a man from the region called Pshavi, wrote and published his long poetical work entitled Ialbuzi. The text tells of the rebellion of minor mountains against their huge and famous neighbor – mount Ialbuzi. This poet mentions that high mountain by the name Ialbuzi for the reason that Ialbuzi was more popular than the other name of that mountain - Passa . The poem is an allegorical depiction of the envy and feud present among the various ethnic entities populating the area situated somewhat near the mount Ialbuzi area at the start of XX c. against the indigenous population of the area: the Kartv/Kartveli nation known in the English texts by the name the Georgian. The appropriate name for the highest mountain of that area is Passa. This mountain Passa transferred its name to the nearby area and the region has been known as Passiani/Bassiani area at large. The fact that this high mountain was indeed called by the Kartuli word Passa by the local population is known through the oral tradition that I witnessed during a decade when staying at the area and collecting the oral information among the local Kartveli population. Later I found out that this was not only an oral tradition, but it had been published almost a century ago in the capital of the Russian Empire. Here I present a photo of a page from a book made and published by a scholar A. Starchevskii (3:127) at the end of the XIX century in Petersburg. (Figure 3).

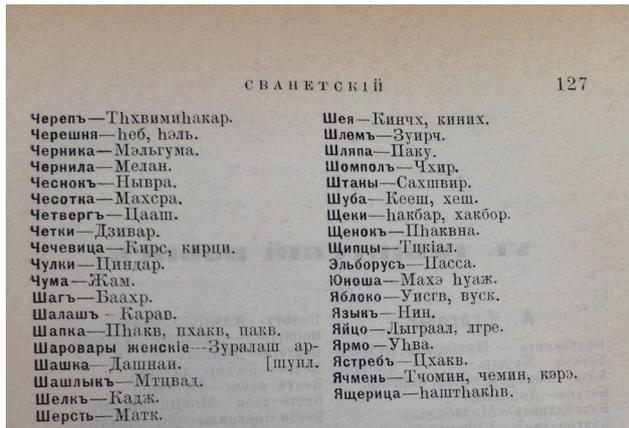


Figure III. page 127 from A. Startchevskii's "Kavkazskii perevodchik". Saint Petersburg, 1883.

The guides ought to inform tourists that the word *passis/passa* is a very ancient word. This word is at least four millennia old. What is the basis for this viewpoint?—a tourist may ask. The guide ought to tell the tourist that ancient literary, grammatical and lexical materials are preserved in museums. It is written in those materials that the word *passis* means sacred and/or divine. The name for the especially beautiful sort of a bird, called *Phazan/Pheasant* seems to me to be derived from the ancient word *pasis* meaning divine and/or sacred. This bird was first seen by the invading Roman warriors in our kingdom more than two millennia ago and it was mentioned as *phazan* by those aliens. This bird is depicted on a postal stamp on the envelope. This bird will be a beautiful emblem of our country/republic, in my view.



Figure VII. Two peaks of Mount Passa/Elborus/Ialbuzi on a sunny day in April

References:

- M. Janashvili. *Saqartvelos istoria uudzvelesi droidan* (History of Saqartvelo since the ancient period). 1906. Tbilisi. Shroma publishers;
- A. Startchevskii, *Kavkazskii perevodchik* (Multilingual glossary), Saint Petersburg. 1883;
- W. van Soldt, "A note on Old Babylonian *lu ittum*" in *Zeitschrift fur Assyriology*, Bd. 82, No.1
- An Anthology of the Georgian poetry, translated by Venera Urushadze. Tbilisi. Sabtchota Saqartvelo publishers. 1956.

Ethics in International Marketing

Aygul ISAYEVA

PhD

Invited Lecturer (Principles of Marketing; International Business Management)

International Black Sea University, Tbilisi

Tbilisi, Georgia

isayevaaygul2003@yahoo.com

Abstract

The importance of ethics in international marketing, but not only, has managed across time to maintain itself as a well disputed and investigated subject. This study sets for itself to create a general view of the issue by relying on previous examinations of the matter conducted by researchers all over the world and adding some complementary practical information through a detailed analyzed case study. The aim of this article is to illustrate the constantly increasing importance of an ethically conscientious marketing and to draw the attention towards acting in a responsible manner.

Keywords: ethics, ethical and unethical behavior, international marketing.

Introduction

The concept of ethics emerged as a discussion point as early as the times of the ancient philosophers Aristotle and Cicero while still attracting the attention of researchers and practitioners. Undoubtedly, international marketing is the field where the question about ethics is often raised since more and more companies expand their business into new foreign markets which differ by culture, behavior, values and norms. The variations in ethical decision making across countries determine companies to adapt to these differences in order to be successful.

This study is structured in the following manner. In the introductory part, the present study acquaints the reader to different concepts central to the subject. It deals with the notion of ethics, theoretical approaches of ethics and the importance of ethics in international marketing.

In the second part issues are raised related to what is ethical and unethical in international marketing by naming some forces which would influence the company toward an ethical behavior. The aim is to suggest that an ethical behavior will bring in the long-run benefits for the company thus strengthening its image on an international level.

The last part concentrates on the case study of “United Colors of Benetton” thus giving some insights to the approaches to ethics in the business world while creating a link between theory and practice. It focuses the reader’s attention to the motives which caused the emergence of

ethically based scandals within the Benetton Group and ultimately the world, but most importantly gives insights on the repercussions which these protests have brought upon the company.

Defining ethics

Ethics is a branch of philosophy which studies the values and customs of a person or group. It covers the analysis and implementation of concepts such as right and wrong, good and evil and responsible acting in this sense according to the definition of Johannes Brinkman (2002). In his article he states the main difference between ethics and morality. According to his opinion “ethics” is a discipline in which matters of right and wrong, good and evil, virtue and vice are observed. By contrast, “morality” refers to patterns of thought and action that are operative in everyday life. This quotation brings to the concept of marketing ethics where marketing morality related 4P – issues such as unsafe products, deceptive pricing, deceptive advertising or bribery, discrimination in distribution and so on are examined (Smith and Quelch, 1993).

1. Theoretical approaches of ethics in international marketing

Various theoretical approaches of ethics in international marketing have emerged throughout time. Both academics and practitioners have different views about ethics, some arguing that it is the responsibility of the

business to act in an ethical manner while others suggesting it to be the responsibility of the consumers.

Beauchamp (1980) states that there are two philosophical trends in ethics: the utilitarian approach and the deontological approach. Based on the utilitarian approach, the manager will try to achieve the highest positive value or the smallest negative value for the persons affected, therefore relating the notion of ethics to the consequences of action. By contrast, the deontological approach is mostly based on the work of the philosopher Emmanuel Kant who does not take so much the consequences of action into consideration but the way in which the act is performed, meaning that the end does not justify the means (Nantel and Weeks, 1996). Kant (1788) demonstrates the utilitarian and deontological approach based on reason, intension and duty. Considering Kant's ethical concept it is worth for the companies to operate in an ethical manner. Therefore, if the companies appear to be ethical by following ethical codes and norms regulating their self-interest, they will be rewarded by the consumers (Carrigan et al., 2005).

Some scholars argue that ethics is a responsibility of consumers not of the company. Consumers make decisions involving ethical issues, relying primarily on ethical norms (deontology) and secondarily on the perceived consequences of behaviors (teleology) in forming their ethical judgments and in determining behavioral intentions in situations involving ethical issues (Vitell et al., 2001).

According to Al-Khatib et al., (1996) consumers are a major participant in the business process and not considering them in ethics research may result in an incomplete understanding of business ethics issue. The companies' self-interest profitability should be based on "putting the customer first" which would deliver benefits to both consumers and company (Cariggan et al., 2005).

Based on the work of Beardshaw and Palfreman (1990), Fineman (1999) argues that marketing is "an ethically neutral system or management tool serving an unequivocal market good". However Kotler (1999) demonstrates that the responsibility of marketers is to generate new products which provide customer satisfaction and protect the long-term welfare of the consumers (Cariggan et al. 2005).

2. The importance of ethics in International Marketing

Globalization and internationalization

Armstrong (1997) argues that internalization of multinational companies (MNCs) and the process of globalization brought the need for addressing the importance of ethics in international marketing. The aim of the MNCs is to achieve profitability in international markets which sometimes results in unethical marketing behavior. This brings up the need of governments to regulate marketing and investment behavior of MNCs in order to maintain high ethical standards (Cariggan et al. 2005).

Moving to foreign markets does in fact not guarantee larger profits as the culture differs across countries. Different cultures vary according to their methods of communication and ethical decision making (Singhapakdi, et al., 1999), thus multinational companies should consider the ethical backgrounds and perspectives of the consumers within those countries they are operating, if they are to be effective (Al Khatib et al., 1996).

People significantly vary by their cultures, values, beliefs, attitudes and behavior.

Cooke (1991) defines culture as the interaction of values, attitudes, and behaviors of the members of a group where values influence attitudes and attitudes affect behavior. Failure to understand ethical values, attitudes and behavior of consumers across cultures hinder marketers to expand internationally (Ford et al., 2001).

While operating across cultures international marketing executives encounter moral and ethical dilemmas on a daily basis on a wide range of issues. Some of the ethical dilemmas one should pay attention to are bribery and corruption, counterfeiting and piracy. Besides the rules, regulations and ethical guidelines provided by the nations and organizations in these matters, international managers have to make decisions of what is ethical and unethical thus realizing the importance of being ethically responsible while operating in global markets (Doole and Lowe, 2005).

Ethical relativism

Ethical problems have in turn defined the concept of ethical relativism in relation to the fact that different cultures have different values and norms. By ethical relativism one should understand that there are no moral absolutes such as absolute right and wrong, but instead, right and wrong are relative according to everyone's perception. On the one hand ethical relativism allows people to adapt ethically as the culture, knowledge, and technology change across markets over time (Christian Apologetics & Research Ministry), permitting marketers to develop local strategies according to the rules in a particular country. On the other hand ethical relativism also means that there will never be a certainty or general rule concerning the matter of behaving ethically.

3. Contextualizing ethical issues into international marketing

Borderline between ethical and unethical

There are some gray areas between what can be seen as legal and what as ethical. These differentiations also depend on aspects like nationality and cultural background. The problem is that the common "good" has different interpretations and its scope is vague, meaning by which that there is no actual clear standard boarder line, thus making this issue - particularly in international marketing - more and more complex throughout different countries (Carrigan et al., 2005).



Moreover, according to John Mill’s (1998) point of view, national, geographical and political categories are not an objective basis to measure values. His suggestion was to search for “the greatest good for the greatest number” as the only consistent general moral principle. (Carrigan et al., 2005). Therefore that is an important concern in order to maintain ethics in international marketing.

Factors which influence ethical behavior

Stakeholder Forces

As some interest groups are gaining more and more power to impact business behavior, consumers who use the product are no longer the only factors to influence the company’s marketing decision (Clarkson, 1995). Other stakeholders who affect, or can be affected by the company’s actions are employees, communities, shareholders and the media (Business Dictionary).

Consumers are generally becoming much more aware of a company’s ethical conduct when deciding to purchase a product or to remain loyal to a particular brand. Smith (1995) argues that we are now living in the “ethics era”, whereby society’s expectations of marketers have changed and the marketing managers have to respect the welfare of those parties affected by their marketing decisions. Today the stakeholders have better education, are becoming much more discerning and have greater expectations of all the elements of the augmented products (Starkey and Madan, 2001). They process the information and make their own decisions while considering a lot of alternatives which ultimately has an impact on the particular companies. Therefore the product usage, production process, promotion activities and so on may need to fit the ethical concept of the particular culture and environment of the country so that in this way the product or service may be accepted.

4. Trend and factors encouraging ethical consideration

Information technology

The constantly improving information technology has determined international markets no longer to be isolated which means what information travels fast and is reported immediately. The world has become “smaller” and the problem resulted from asymmetric information - whether good or bad - has been reduced thus facilitating the mass population a rapid access to data of general interest. This is an additional reason why ethical behavior is vital in a company’s decision making.

Environmentalism

In the 20th century environmental ideas continued to grow in popularity and recognition, not only because of the visible destruction of the environment but also because of the growing awareness of being a global citizen. The concern for environmental issues is becoming greater in many countries and has considerable implications for the product marketing policy. More and more organizations

support the environmental policies development such as the Commission for Environmental Cooperation (NAFTA), the European Environment Agency (EEA) etc. (Organisation for Economic Co-operation and Development). A lot of companies are setting now corporate strategies which address these issues, for example, Ford has adopted the environmental standard ISO4001 as a world standard while Sony incorporated environmental consideration into the planning of each production (Doole and Lowe, 2004).

Consumerism

More and more individuals and groups are consciously seeking ways to protect the consumer’s rights and interests. Their main idea is to promote the consumer’s interests from short-term transactions to long-term equity. The formation of consumer organizations help consumers make better choices in the marketplace and reduce some unethical business marketing behavior such as deceptive pricing or manipulative advertising activities. In consequence this power puts some pressure on business.

Government Regulation

Legislation also plays an important part in raising consumer expectations of ethical marketing behavior. Through establishing specific laws and regulations, governments are trying to use legal approaches to protect consumer’s long-term equity. For example, a government may require businesses to disclose detailed information about products—particularly in areas where safety or public health is an issue (Terrence, 2007). A good example would be the international food manufacturers and marketers such as McDonalds who had to state clearly the nutritional content of their products.

Increased influence of international organisations

The increasing globalization and removal of trade barriers brought up some powerful international organizations such as the World Trade Organization (WTO), the European Union (EU) etc. The purpose of these organizations - which are the result of cooperations between a number of states - is to set up several rules and regulations so that all the member countries have a common set of norms and standards of ethical behavior to follow and act by hence regulating business practices.

Rising concept about Corporate Social Responsibility

Corporate Social Responsibility (CSR) is the responsibility of an organization for the impacts of its decisions and activities on society, the environment and its own prosperity, known as the “triple bottom line” of people, planet, and profit (Meeting Professionals International). In addition to the obligation to comply with legislation and laws, CSR emphasizes on further voluntarily steps which an organization should take to improve the quality of life for the public, focus more on the relationship between the company and its main stakeholders and on achieving sustainable

development while preserving the local environment (Hill et al., 2003).

To create financial and social returns, the ethical concept should be embedded in day to day business operations. Multinational corporations (MNC) should strive to build up an ethical concept and at the same time keep a socially responsible corporate profile.

5. Ethical behaviour favours companies in the long-run

Today, as the field of marketing becomes broader and ethical issues gain more attention, marketing managers should try to bring marketing and business ethics into the picture. Marketing ethics refers to ethics especially in the area of interaction between the enterprise and the customer (Vittal et al., 2002). This is one important reason why ethical behavior plays a central role, since it determines how customers perceive the company.

Ethical marketing serves to help establish long-term relationships with customers, develop company goodwill and reinforce the brand equity (Collins et al, 1993). With a positive brand image and behavior, market forces will favor companies which act in an ethical manner in the long-run (Scholtens and Lammertjan, 2007). Therefore the effective way to do international marketing is to incorporate ethics and other factors into the marketing planning in order to keep long-term profit (Shelby et al., 1989). That means that using ethical action to raise stakeholders' satisfaction leads to brand loyalty and results in repeated purchase behavior therefore concluding in high levels of profitability.

One negative example would be the famous sportswear brand "Nike" that has suffered public condemnations because they used child labor to manufacture their products. A positive example would be "The Body Shop", which gained appreciation by opposing to animal experimentation and supporting social issues. (Doole and Lowe, 2004). As an international retailer they are sharing their knowledge with small-scale local enterprises, often in remote areas, and trade some materials with a fair price (Body Shop). They emphasize on minimal packaging and recycling, trying to convey their concept to protect the earth. This ethical behaviour really paid off, since they have built up a good corporate image and strong brand equity along with an impressive profit.

6. Case study of United Colors of Benetton

Just mentioning the name United Colors of Benetton is enough to create a dispute in opinions concerning the topic of ethical behaviour. The Italian-based company was founded in 1965 as part of the Benetton Group which houses brands like Sisley, Playlife and Killer Loop, having as its core business the manufacturing of clothing. The group is currently present in 120 countries worldwide through its 5.000 stores which generated a total turnover of over 1.9 billion euro in 2006 (United Colors of Benetton, Overview). But there is still a long way to go since the company had faced some

problems in the past concerning their approach to ethics in their advertising campaigns. The case of Benetton presumes the existence of two sides of the story: the company's views and the stakeholders' perception. Benetton's point of view could be easily summarized by Luciano Benetton's statement that "communication should never be commissioned from outside the company, but conceived from within its heart". Guided by this vision of communicating and the belief that "just advertising a product is a waste of communication" (Olivier Toscani – photographer and creative director of Benetton Group), the company embarked to focus on social and political issues within their advertising campaigns. The result was a universal controversy with worldwide reactions ranging from appraisal and international recognition to boycotts and demands for governmental regulations.

Using a global advertising campaign, the company aimed at reaching people of different cultural and ethnical backgrounds from all over the world by raising different sensitive and at times taboo subjects in the minds of the viewers. The justification of the usage of such ads - according to the Benetton Group - was that they would raise awareness of different social issues amongst the consumers, thus showing Benetton's commitment to ethical values.

The campaigns

Since the start-up of their business, the Benetton Group focused on creating "value" by capitalising on an image. Its main strategy was no longer to focus on the customer, but on the individual instead by "freeing the product from the world of merchandise and making it a social being of its own" (United Colors of Benetton, Press Area). The idea behind this concept was that the company's focus in approaching their customers was no longer based on aspects like income or demographics, but on a shared belief of what is important, meaning that a set of common values was the link between the company and its end customers. This approach gathered the company awards and recognition on one side and disapproval on the other.

Starting with a relatively smooth campaign in 1984 which showed people of different ethnical and cultural origin, Benetton managed to receive attention and recognition. Embarking on this adventurous and also risky trip was Olivier Toscani, the photographer and creative director of the Benetton Group. For the next 14 years the company released many different advertising campaigns which according to the Benetton Group were divided into three differently named categories namely: "The cycle of difference", "The cycle of reality" and "The cycle of free speech and the right to express it". (United Colors of Benetton, Campaigns)

"The cycle of difference" had as main subject that different people can still find a way to be together. The campaign focused on racism issues with the objective of trying to promote the equality between races. Political, religious (like the Palestinian and Israeli ad), sexual (like a priest kissing a nun ad) and moral issues (like the good and evil symbolized by two children which were impersonating an



angel and the devil) were brought to light, thus making people discuss taboo subjects but also getting the brand recognition. The product gradually disappeared from the advertisement, leaving the social subjects to speak for themselves. The racial issues implemented into the advertisements caused strong reactions within the African-American community in the U.S., especially the ad with the black nanny breastfeeding a white baby which was interpreted as being offensive to the Afro-American community since it presented the black nanny in a subordinate role.

Turning to reality-related subjects, Benetton's campaigns became more aggressive and captured a lot of attention. The image of a war cemetery – alluding to the Gulf War – was once again responsible for a series of strong responses. The series continued with the picture of a new born baby girl which was still attached to the umbilical cord. This image caused severe protests throughout Italy, especially in Palermo where Benetton was forced by the Town Council to remove its advertising posters. The ad was condemned by the Code of Advertising Practice Court which decided that the photo “does not take account of public sensitivity”. The image was criticised in Great Britain, Ireland and France just to be then appreciated and rewarded by the Swiss Societe Generale d’Affichage (General Poster Association). (United Colors of Benetton, Campaigns). Picturing an AIDS infected man – David – on his death bed with his family aside caused again split opinions across the globe. The company's belief to create awareness of social issues was strengthened by David's mother's statement: “David is speaking much more louder now that he is dead, than he did when he was alive” (United Colors of Benetton, Campaigns).

“The cycle of free speech and the right to express it” reached its boiling point with the well known Death Row campaign (2000) which focused on 28 prisoners in a number of American jails, all sentenced with the capital punishment. This advertisement had an extraordinary impact in the media. TV stations all over the world dedicated a few minutes on their news programs on broadcasting the subject. Pictures of the condemned prisoners were released in all major publications in Europe, America and Asia. The U.S. market had the strongest negative reaction towards the subject. The campaign had caused protests against the company while Benetton was suited by the state of Missouri, being accused that the Benetton Group had deceived the state by falsely reporting that the prisoners were being interviewed for a project sponsored by the National Association of Criminal Defence Lawyers (NACDL). (Free Essays: We, on the Death Row). The ads had a tremendous negative impact upon the families of the victims – whom the prisoners were convicted of having killed – who reacted with public protests against the company. Benetton had to write apology letters to the families of the victims and also was charged to pay 50.000 Dollars to the Missouri Crime Victims Fund. (IBS Center for Management Research, The Story of Benetton's Advertisement Campaigns – A campaign in trouble). Still the biggest setback Benetton had to face was the cancellation of its deal with Sears, Roebuck & Co, consisting of opening

Benetton outlets in Sears stores across the U.S. especially since the number of outlets decreased heavily from over 700 in the 1980s to 200 in 1999. All the protests and letters from the families of the victims determined Sears to decide on dropping the deal in February 2000. The scandal had as a follow-up the departure of Olivier Toscani from the company although Benetton claimed that it had nothing to do with the Death Row campaign (IBS Center for Management Research, The Story of Benetton's Advertisement Campaigns – A campaign in trouble). The company suffered massively both in terms of its image as well as repercussions on its sales.

Campaign repercussions

Although Benetton's statements and justifications of raising awareness of different social issues made somewhat sense, these were not nearly enough to persuade the public opinion. The usage of emotion-arousing ads was perceived as being harmful to the customers and so the following question came up: is this type of advertisement actually ethical? From a company's point of view these sort of shocking ads are perceived to be very effective, because the public tends to remember them much better. Shocking images which cause annoyance, discomfort, sadness or even fear have a much greater impact on the sub consciousness of the subject than images which produce wellbeing and which are perceived as having a calm and comforting effect (Free Essays: Marketing and Ethics, United Colors of Benetton). The advertisers rely on the aspect that aroused emotions can impact the attitudes of the viewers and also create more awareness of the brand, raising this way the company's abilities to sell the products. One extreme type of emotion-arousing ad - which Benetton used through their Death Row campaign - was the controversial psychoactive ad. According to Hyman and Tansey (1990) the psychoactive ad is “any emotion-arousing ad that can cause a meaningful, well-defined group of viewers to feel extremely anxious, to feel hostile toward others, or to feel a loss of self-esteem” which brings us back to the ethicality issue.

By using these types of ads the customer felt he was exposed to images which were harmful and at times offensive without being able to control them, meaning to be able to choose if one would want to watch them or not. (Hyman and Tansey, 1990). According to Luciano Benetton the images captured in their campaigns “touched very deep feelings” so that the campaigns forced the public to think and be reminded of the social issues which were obviously disturbing and which caused discomfort almost in every corner of the world. Benetton was accused of the fact that it didn't try to come up with any solution by which it could ensure that the public would have a choice whether they wanted to be exposed to the images or not. Benetton actually did the opposite: they wanted everybody to see!

Another aspect which was very disturbing to the public eye was the fact that the advertisements were completely irrelevant to the product. There was no connection between the campaigns and Benetton's products and so the

question arose once again: is it ethical and morally right to use the “excuse” of improving society in their marketing practices? The logical explanation embraced by the public was that the company was putting a facade of social responsibility just to cover the intention of getting publicity by any means, even if that would imply taking advantage of the suffering of others (Free Essays, Marketing and Ethics, United Colors of Benetton). The rising of the brand’s profile was in addition supported by the free publicity from which the company benefited as a result of the endless broadcasts and discussions concerning this meditated topic.

The building up of all these negative responses from the public opinion resulted in numerous boycotts and law suits which turned out to be very costly for the company. Retailers were suing Benetton claiming that the advertisements were sabotaging their sales efforts.

Benetton today

Summing up, the situation looked pretty grim for the Benetton group. It was time for the company to rethink the way of approaching their marketing campaigns, so starting 2000 the focus fell mainly on the products especially by doing conventional shows on fashion runways. Still Benetton didn’t want to entirely give up its approach to social issues, but tried to keep them as at least disturbing as possible for the public eye.

2001 had as a central point the “International Year of Volunteers”, while 2003 was governed by the campaign “Food for Life” which focused on the fight against world famine. The last campaign was in 2004, campaign entitled “James & the Other Apes” which concentrated on the diversity and wealth of the world by portraying the great apes as man’s closest relatives in the evolutionary chain (United Colors of Benetton, Campaigns).

Today Benetton is still trying to improve and justify their image by explaining their reasoning on their internet site (United Colors of Benetton). The company proudly mentions their involvement in social and cultural issues by naming some projects like the Leleque Museum (dedicated to the history of Patagonia), the Benetton Study and Research Foundation (Fondazione Benetton Studi Ricerche – with the aim of safeguarding and raising awareness of natural heritage) and the Pivano Library (with the purpose of housing the collection of books and documents that Fernanda Pivano donated to the Benetton Study and Research Foundation). The Group also engaged in sports sponsorship by supporting the Treviso (Italy) Rugby, Basketball and Volleyball teams and showing the world that they still are connected with their roots.

The company also benefits from the support of many international organisations which in the opinion of the Group “now take advantage of the power and fame of the Benetton logo to communicate about issues they take to heart but for which they would never have had adequate budgets”. Just to name some: The United Nations, SOS Racism, the

U.N. High Commission for Refugees (UNHCR), The World Food Program, the U.N. Volunteers, Caritas Switzerland, International Federation of the Red Cross and other associations fighting AIDS and the death penalty (United Colors of Benetton).

The change in attitude towards their advertising campaigns has proven to be the right one since the financial figures took a turn for the better in the last few years. Thus the importance of ethical behaviour has once again been proven as critical to a company’s image and why not a matter of survival.

Conclusion

With the emergence of the ethical consumer, companies are expected to show a greater responsibility for the way they act in the business world. The need to comply with the “unwritten regulations” and pressures imposed by the stakeholders should determine a company to operate in an ethical manner. The choice of doing so will not just strengthen the company’s image, but will have numerous benefits on the long term. One aspect which should by no means be neglected when opting for an international marketing strategy is the cultural sensitivity which will influence a company’s success in the particular markets it wants to enter.

Choosing to circumvent these “ethical obligations” might bring upon the company many undesired negative repercussions like the Benetton case has shown. Thereby if a company will not care about the welfare of the society, it may have as a result the ceasing of its existence since, concluding today’s companies are more than ever dependent on the strength of the public opinion.

References

- Al-Khatib, Jamal A., Scott J. Vitell and Mohammed Y. A Rawwas (1997), “Consumer ethics: a cross-cultural investigation”, *European Journal of Marketing*, 31 (11/12): 750-767.
- Armstrong, Robert W. (1997), “An Empirical Investigation of International Marketing Ethics: Problems Encountered by Australian Firms”, *Journal of Business Ethics*, 11: 161-171.
- Beardshaw, J. and Palfreman, D. (1990), *The Organization in its Environment*. London: Pitman.
- Brinkmann, Johannes (2002), “Business and Marketing Ethics as Professional Ethics. Concepts, Approaches and Typologies”. *Journal of Business Ethics*, 41: 159-177.
- Business Dictionary, Dictionary about business terms, Stakeholder [online]. Available from URL: < <http://www.businessdictionary.com/definition/stakeholder.html> >. [Accessed 2011 October 14].
- Carrigan, Marylyn, Svetlana Marinova and Isabelle Szmigin (2005), “Ethics and international marketing – Research background and challenges”, *International Marketing Review*, 22 (5): 481-493.

- Clarkson, Max B. E. (1995) “A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance”, *The Academy of Management Review*, 20 (1): 92-117.
- Cooke, R. A. (1991), “Danger Signs of Unethical Behavior: How to Determine If Your Firm Is at Ethical Risk”, *Journal of Business Ethics*, 10: 249-253.
- Doole, Isobel and Robin Lowe (2004), *International Marketing Strategy: Analysis, development and implementation*. 4th ed. London: Thompson Learning.
- Ethical Relativism, Christian Apologetics & Research Ministry [online]. Available from URL: <<http://www.carm.org/relativism/ethical.htm>>. [Accessed 2011 October 12].
- Environmentalism, Organisation for Economic Co-operation and Development [online]. Available from URL: <<http://www.oecd.org>>. [Accessed 2011 October 12]
- Ford, Charles W., Sarath A. Nonis, Gail I. Hudson (2005), “A Cross-cultural comparison of value systems and consumer ethics”, *Cross Cultural Management: An International Journal*, 12: 36 – 50.
- Free Essays (2003), We, on the Death Row [online]. Available from URL: <<http://www.freeessays.cc/db/29/mul97.shtml>>. [Accessed 2011 October 12].
- Hill, Ronald Paul, Debra Stephens and Iain Smith (2003), “Corporate Social Responsibility: An Examination of Individual Firm Behavior”, *Business and Society Review*, 108 (3): 339–364.
- Hyman, Michael R. and Richard Tansey (1990), “Ethics of psychoactive ads”, *Journal of Business Ethics*, 9 (2): 105-114.
- IBS Center for Management Research, Asia’s Largest Online Collection of Management Case Studies. (2007), *The Story Of Benetton’s Advertisement Campaigns: A campaign in trouble* [online]. Available from URL: <<http://www.icmrindia.org/casestudies/catalogue/Marketing/MKTG019.htm>>. [Accessed 2011 October 12].
- Mill, John (1998), *Utilitarianism*. Oxford: Oxford University Press.
- Meeting Professionals International, volunteer-based board of directors, (2011), *Corporate social responsibility* [online]. Available from URL: <<http://www.mpiweb.org/About/CSR>>. [Accessed 2011 October 13].
- Nantel, Jacques and William A. Weeks (1996), “Marketing Ethics: is there more to it than the utilitarian approach?”, *European Journal of Marketing*, 30 (5): 9-19.
- Scholtens, Bert and Lammertjan Dam (2007), “Cultural Values and International Differences in Business Ethics”, *Journal of Business Ethics*, 75:273–284.
- Singhapakdi, Anusorn, Mohammed Y.A. Rawwas, Janet K. Marta and Mohd Ismail Ahmed (1999). “A cross-cultural study of consumer perceptions about marketing ethics”, *Journal of Consumer Marketing*, 16 (3): 257 – 272.
- Smith, N. (1995), “Marketing strategies for the ethics era”, *Sloan Management Review*, 36 (4): 85-98.
- Smith, N. C. and J..A. Quelch (1993), *Ethics in Marketing*. Irwin: Burr Ridge.
- Starkey, Ken and Paula Madan (2001), “Bridging the Relevance Gap: Aligning Stakeholders in the Future of Management Research”, *British Journal of Management*, 12 (1): 3–26.
- Thrasher (2004), *Marketing and Ethics*, United Colors of Benetton. [online]. Available from URL: <<http://www.echeat.com/essay.php?t=25115>>. [Accessed 2011 October 12].
- Vitell, Scott J., Anusorn Singhapakdi and James Thomas (2001), “Consumer ethics: an application and empirical testing of the Hunt-Vitell theory of ethics”, *Journal of Consumer Marketing*, 18 (2): 153 – 178.
- Witkowski, Terrence H. (2007), “Food Marketing and Obesity in Developing Countries: Analysis, Ethics, and Public Policy”, *Journal of Micromarketing*, 27: 126-136.

Global Peace and Tourism

Ismail OZSOY

*Prof. Dr., Department of Economics,
Fatih University, Istanbul.
Phone: +90 212 866 33 00, Ext: 5023
GSM: +90 532 405 75 20,
E-mail: iozsoy@fatih.edu.tr, ismailozsoy@
yahoo.com*

Faruk GURSOY

*fgursoy@ibsu.edu.ge
Assoc. Prof. Dr., Department of Economics,
International Black sea University
fgursoy@ibsu.edu.ge*

Ahmet SEKRETER

*asekreter@ibsu.edu.ge
International Black Sea University
Georgia*

Abstract

Tourism is a social activity that leads societies with different socio-cultural backgrounds to establish relationships with each other, to interact between different knowledges, manners, traditions and cultures, thereby changing social structures, ethical perceptions and social behaviour patterns of the societies. Humankind is a whole and each society has its own cultural values and beauties as each economy produces different goods. Thus societies need the exchange of their values and beauties as they exchange their products. What mankind most needs today is peace at home and peace in the world. Cultural exchange enhances world peace as exchange of goods and services promote economic welfare of nations. Tourism teaches man to love and to be loved. This paper aims at focusing on the effect of tourism on the regional and global peace with a special stress on the Georgian-Turkish friendships promoted by mutual touristic visits between two countries resulting in travelling in both countries even without passport requirement.

Keywords: Tourism, tourist, travel, global peace.

Introduction

The concepts of tourism and tourist took place in British colloquial language in the first half of the XIX. th century. In Turkish language the word pilgrim used as a tourist, the word travel used as a tourism for centuries.

Tourism is an activity that satisfies people's needs during their travel out places from constantly dwelling and needs that arise during a temporary housing. Some of the factors that give rise to tourism are business, curiosity, religion, health, sports, recreation, entertainment, culture, to gain experience or to visit friends and relatives, to participate in conferences and seminars.

According to American scientists', tourism is a science, an art and a business of attracting visitors, transportation, housing and serving the needs of wishes gracefully.

Tourism is mentioned mainly, to stroll around, to visit friends and relatives, going to a place to take a vacation and people who hope to have a good time. These people spends their holiday by variety of sports activities, sunbathing, chatting, by making small trips and tours, and reading. Among them one can be found who went for a congress, a business meeting or for a occupational activity. However, in this group ones can be found who may have a

study tour led by an expert guide or may conduct a scientific research and investigation.

Tourism has a economic, social, cultural and ecological effects. In this study we will consider the effects of tourism on individuals and society.

1. Effects of tourism on individuals

Flowing water is clean and fresh, but standing water smells. Traveling effects people's physical, spiritual and mental life positively. In fact, it is called that “Have a travel, you will find health”.

Tourism allows physiological relaxation and psychological discharge. As a leisure time, vacation, refers to the destruction of usual roles, rules and obligations arising from it and hierarchies in society. It is seemed that, the rules that individuals must comply due to their position in society, is eliminated during the holidays.

There are many types of tourism, and each one has different effects on people. Nature tourism, (for example, spring and spa tourism or sea, sand, sun) gives body health to human, religious tourism, gives tolerance towards other religions; congress tourism, gives tolerance towards different views and ideas, visiting historical places gives a peace to people with his history or gives a sense of awe for

other cultures.

Tourism, gives a physical health to the traveler. The human body contains all kinds of elements. Each climate and geographical structure have a different effects on the human body.

Tourism eliminates jaggedness in people's thoughts. People who grew up in closed societies, with the effect of education that the society had give to them make them to think that the only truth is what they have learned. They even do not believe the existence of any other truths. People recognize that there are other truths more than their own, by travelling and experiencing different people, different cultures and different thoughts. And they begin to tolerate against other thoughts. This is the effect of traveling on the human thought.

Tourism teaches people to love and to be loved. People who travel a lot, understand people, love, and loved. The best example of this is; deceased Turkish traveler Barış Manço famous all around the world. Barış Manço, is one of the rare people who have won the love of all the people of this country. He have entreated people all around the world, and made them love us. Applauses and takbirs were together in his funeral. It was the reality of the Turkey.

It seems that, people who defend freedom and democracy can met with everyone, adaptable to all ideas and tolerant, while prohibitionist people are enclave and intolerant.

Tourism develops the ability of synthesis and human mind. Throughout the history, it seemed that, great thinkers and statesmen who shed light on the society and humanity, are prominent people that travels different communities and cultures. There are many examples of these.

In B.C. VI.th century, Ancient Greek City States, the economic and political crisis was provided consistency by Solon, who was a merchant and had mercantile trips around the Mediterranean basis. He had chance to recognize the economic, political, social and cultural lives of communities.

Plato had traveled to Anatolia, Mesopotamia, Egypt, even Iran and India, had obtained opportunity to observe these civilizations. He had established a school and named it as Academy, and today this name remained as the name of the scientific studies. Plato shed light to the Ancient Greek society with his students that educated in that school.

Aristo who had been in Athens, Macedonia and Western Anatolia is thought he didn't travel much. However his student Alexandros III had a collection of information, documentations, plant, animal and mineral species that was collected by his soldiers from anywhere up to Africa. These collections consisted of information about 158 state and site. This information was obtained through trips to these countries.

Medieval scholastic idea is formed by synthesis

of Christianity and these philosophers' opinions. The philosophers who had affect on West for nearly a thousand years, has a significant effect in the formation of today's Western culture and civilization. The work of Plato "The State" and the work of Aristotle "The Politics" has been the reference book of Western managers and scientists for centuries.

Saint Thomas, who had effect on today's Christianity with his notions seven hundred years ago, had courses in universities in Cologne, Paris, Bologna, Naples and Rome and visited many other countries. Adam Smith, the founder of modern economics, traveled to Europe.

Famous people in the Islamic world, Al-Farabi, Ghazzali, especially Ibn Khaldun have been famous with their trips. Yunus Emre, the person who is full of people love in Turkish world, was a great traveler. It's not a coincidence that he has the tomb in many places. Poets, who always mention love in his poems and songs, are almost traveler.

2. The contributions of tourism to the community and to the world peace

As an economic activity, trade is the movement of commodities and services and satisfies people's needs. As well as this, tourism is the movement of the cultures. of the communities in tourism as well as business needs. Communities need tourism as well as commerce.

Beside the some possible negative effects, carefully planned and well-organized tourism activities can make native people use of varieties of people, language, thoughts, life-style and the other cultures features. To protect the common wealth of the region's historical monuments and restoration develops the historical consciousness of people.

Tourism movements take first place in case of social change and enrichment. It relieves the lives of native people and also tourists. It makes people closer to each other. It makes varieties in life-styles and cultures. It offers a wealth and variety especially for tourists socio-cultural ethos, art, literature, music, language, and history.

Tourism is a social phenomenon that interrelates societies which have different ethos. Interaction between different knowledge, experience, tradition and culture levels leads to change the social ethos and social patterns of behavior.

Humanity is a unity. Each society has its own unique beauty. To gain these beauties to other communities is only possible with the development of inter-communal relations. Tourism universalizes these beauties. Tourism is one of the most effective way of inter-communal interaction and cultural exchange. The fusion of different cultures in a country and achievement of peace is possible by affiliation.

A journey has a significant impact to understand other nation's people and evaluate them. Government policies in the advanced countries encourage the citizens to



travel, especially domestic traveling, to learn about the other parts of the country and to develop the sense of their love and commitment to their countries.

There are a lot of historic residence in Istanbul and Anatolia that will appeal Western people. Places such as Ephesus, Antioch and Tarsus are important religious centers for Christian world. It is an important feature for Ephesus that when Christians visit there they accept themselves as pilgrims. Santa Claus, a person known by whole world, is a product of Anatolian culture and this is an important advertising.

As a result, tourism is an important way of; having a healthy body and soul, acquisition of human love, development of society, culture and the inter-religious tolerance, the acquisition of a sense of respect for different opinions and ideas, eliminating acuity ideas and improving dialogue ambient, developing the ability to create and synthesis of thoughts, to universalize the values and beauties of communities, and so more acquisitions.

All these acquisitions are for humanities benefit, that’s why there are many ways to develop that sector. Some of them are; developing and promoting tourism, developing policies, privileges and facilities for businessmen for their foreign trips and so more.

3. The Case of Turkish-Georgian Relationships

Data were collected by means of self-administered questionnaires, each lasting for approximately 15 minutes. The questionnaire was first developed in English and then translated into Georgian. Then, a business professor and a Georgian language professor who are also fluent in English proof-read the Georgian translation. A special effort was made to keep the questionnaire as simple as possible in terms of structure, wording, and scaling. Before the survey administration, a pre-test of the questionnaire was conducted with a small group of respondents, and the result was satisfactory. Surveys were based on a questionnaire consisting of three parts: the first asked a series of questions focusing on the personal information; the second comprised some questions about opinion about Turkey and Turkish people after trip and before trip, the third, and the last, part was about How to develop the relations between two countries.

The study was conducted among 47 people. Here are some statistical results of the survey.

Table 1: Descriptive statistics of the respondents

	Male	Female
Counts respondents	13 (30%)	34 (70%)
Average age	35.4	31.1
Average no. of visits to Turkey	3.1	3.2
Most visited city in Turkey	Istanbul	Trabzon

Table 1 show that most visited cities in Turkey is Istanbul and naturally Trabzon, because of the location. It is also interesting that average number of visit to Turkey is above 3 times.

Table 2: Opinions about Turkey after trip before trip

	Before	After
Opinion about Turkey		
Negative	26%	0%
Positive	74%	100%

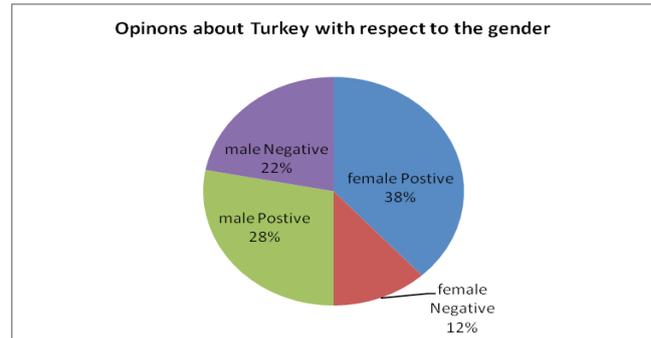


Figure 1: Opinion about Turkey before trip with respect to the gender

Table 2 shows that 26 percent of the visitors in Turkey had negative opinions about Turkey and Turkish people. On the other hand, 100 percent of the visitors had positive opinions about Turkey and Turkish people after the visit to Turkey. Figure 1 indicates Georgian males who had negative opinions are much more than the females.

Table 3: Opinions about Turkey for whom stayed with Turkish family and not

Hosted before by a Turkish Family		
	Yes	No
Opinion about Turkey		
Negative	0%	40%
Positive	60%	40%

As seen in the Table 3, the people who had negative opinion about Turkey did not stay before with a Turkish family. None of the people who stayed before with a Turkish family had negative opinion about Turkey.

Table 4: Distribution of the answers to the question

What did you like the most about Turkey or Turkish people?	
Hospitality	64%
Commitment to work and country	13%
Development	17%
Food	4%
Family relation	2%

In the table 4, we see that Georgian people like the most about Turkey is the hospitality with 64 percent. They also underline that service sector is very developed in Turkey. After the visit to Turkey most of the visitors think that Turkey has a developed economy like European countries.

The people who are above 45 years old, basically who lived in Soviet time, usually had negative opinions about Turkey, but after their visit to Turkey they change their mind totally and have positive opinion about Turkey.

They have the following suggests in order to develop the relationships between two countries. Although Turkey is the number one trade partner of Georgia, they still think that two countries must have more economic relationships. Some suggested that advertisement of the countries must be done so that people will have more information about each others. Finally they mentioned that social, cultural and educational affairs must be developed.

Everybody who took part in the survey wants to go to Turkey again.

Sachkhere-Tchiatura Karts Caves and Katskhi Pillar Tourist Route’s Business Project

Alexander ABESADZE
a.abesadze@gtu.ge
Georgian Technical University
Georgia

T. BERDZENISHVILI
Georgian Technical University
Georgia

A. GRIGALASHVILI
Georgian Technical University
Georgia

Abstract

Sachkhere-Chiatura municipalities stand out for karts caves located along the limestone line. Existence of different types and ensemble of caves on a small local region is quite a rare phenomenon in the world. Such originality is a revealing example of natural exotics and serves as a good basement for development of the cultural and educational tourism. Historically, there were built monasteries and churches in karts caves, as well as used as hidings during wars. Dzudzuana Cave is especially singled out; archaeological investigations have recovered there flax fibers from Upper Paleolithic occupations. The earliest of the occupations at Dzudzuana is dated between 26,000 and 32,000 radiocarbon years before the present. The fibers are among the oldest evidence of the use of fiber technology. At various times famous Georgian scientists, A. Kalandadze, D. Tushabramishvili, T. Meshveliani, D. Nadiradze conducted the caves researches. The rarest monument of nature, Katskhi pillar, a 40-meter-tall rock formation created by tectonic shifts, is located near the town of Chiatura. In pre-Christian period it was thought to represent a local god of fertility. With the arrival of Christianity in Georgia it came to represent seclusion. Between the 6th and 8th centuries a hermit built a church atop the pillar; there are monks’ habitation and winery on the lower deck. Till the near past getting the decks was possible only by climbing equipment; at present it is possible for everyone who wishes.

40% of Georgian territory belongs to highly active tourist regions. At the same time, the information about tourist sites and routes is rather limited. Therefore, in today’s Georgia the study and promotion of new or less-known tourist sites and tourist routes is very relevant.

Georgia is the classical country of underground world’s beautiful forms and caves; there are great prospects of using this beauty. However, society has very scarce information about this, for today only several caves are accommodated for the tourist and there is little science-popular material about them.

Sachkhere-Tchiatura municipalities stand out for plenty of Karts Caves located along the limestone line. The existence of different types of caves on a small local region is quite a rare phenomenon in the world. Such originality is a very revealing example of the natural exotics and serves as a good basement for development of the cultural and educational tourism. At the same time, not only society, but local population as well, has very little information about their own riches.

Historically churches, monasteries, chapels were organized and built in karts caves, and in case of war they were used to hide people and store their valuables.

Dzudzuana Cave is especially singled out; there

have been found abode of Lithic Age human tools of flint and obsidian. In 2009 the ancient (34 thousand years old) flax thread fibers of prehistoric epoch was found in the place. This discovery was included in the list of top ten discoveries of the world.

In 1996 Rioni-Kvirila rivers basin were examined by joint archeological expedition of Tbilisi State University, Harvard University, Hibrow University, and Dublin University. Head of the Expedition was Doctor T. Meshveliani.

At various times famous Georgian scientists, A. Kalandadze, D. Tushabramishvili, T. Meshveliani, D. Nadiradze and others conducted researches in the caves.

Paleolithic and archaeological study of Georgian caves still continues and according to the specialists they will often surprise us. As regards of using their tourism potential, at first, it is necessary to give more information to tourism operators and agencies.

In Katskhi village of Tchiatura Municipality is located the rarest monument of nature - Katskhi Pillar. It is a vertical rocky mass created by tectonic shifts of the earth; its height is 40-50 meters. A small church of V-VI centuries is placed on the top deck of the Pillar and monks’ habitation and winery - on the lower deck. Till the near past to get the

decks was possible only by climbing equipment; at present it is possible for everyone who wishes.

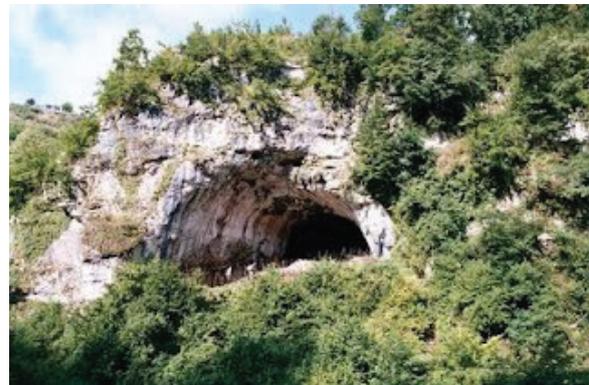
We studied the possibility of integration of two tourist routes - Karts Caves and Katskhi Pillar in one and its complete inclusion in the list of tourist routes of Georgia. It is notable that such grouping of tourist sites is original and it is developed by us within the framework of our project.

It is intended to place tourists in Darkveti village of Tchiatura municipality at local people's houses. This business project will be presented to officials of several levels as well as to tourist agencies, with the aim of promotion and inclusion above mentioned integrated route to Georgia's list of tourist routes.

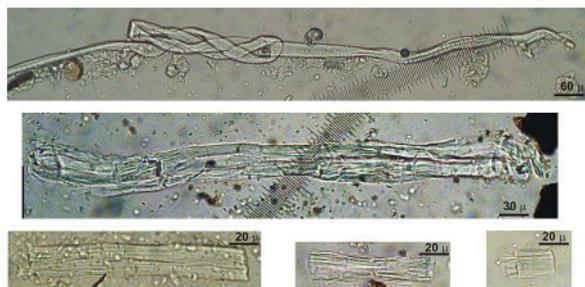
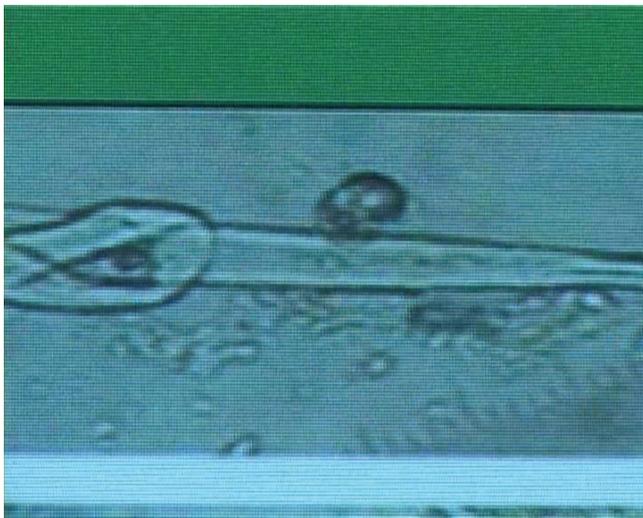
In the business project the calculation of the construction is performed by the computer program MS Project.



Dzdzuana Cave, view from inside



Dzdzuana Cave, view from outside



Ancient flax thread fibers



Katskhi Pillar



Katskhi Pillar, top deck



Gender Dimensions of Tourism

Kifayat AGHAYEVA

*Dr. Head of Gender Research Centre,
Baku (Western University)
kaghayeva@yahoo.com
Azerbaijan*

Terane Nasimi GULUZADE

*Researcher of National Academy of the Republic of Azerbaijan
Institute of Archaeology and Ethnography.
t.terane@yahoo.com
Azerbaijan*

Abstract

Very little research has been carried out on the gender dimensions of the tourism. This research aims to provide an overview of the potential of tourism to contribute to the gender equality, women's empowerment, the tensions and complexities in this field. Integrating gender perspectives into the discussion of tourism is particularly important as the tourism industry is one major employer of women, offers various opportunities for independent income generating activities and at the same time affects women's lives in destination communities. It directs attention to examine the importance of women in the tourism sector and analyzes and evaluates the reasons for and constraints to women's vertical mobility. So, by this talk it is brought gender aspects of tourism to the attention of policy makers, especially the issues of women's employment in the tourism industry and women's local participation in tourism planning and management. In this research it is suggested to improve the role and situation of women in tourism to allow more balanced gender participation in the economy. In this sense, it is believed that it can have strong managerial implications, thus contributing gradually to the empowerment of women, so that they can play a greater role in the global marketplace, also promoting national competitiveness and higher levels of well-being for the society.

Keywords: gender dimensions, tourism industry, and women's empowerment.

Gender Dimensions of Tourism

Tourism is one of the world's most important industries and it is also one of the main generators of income. In the last few decades, the tourism industry has grown significantly and as a labor-intensive industry, has given rise to a multitude of new employment opportunities. There are numerous significant linkages between tourism and gender. Gender aspects affect women's employment in tourism, women's participation in planning and management, gender roles, women's rights and sexual objectification as migration.

Very little research has been carried out on the gender dimensions of the relationship between tourism and development. This investigation aims to provide an overview of the potential of tourism to contribute to the gender equality and women's empowerment.

As tourism is one of the world's largest and fastest-growing industries, in many countries it acts as an engine for development through foreign exchange earnings and the creation of direct and indirect employment. Tourism contributes 5% of the world's GDP (Gross domestic product) and 7% of jobs worldwide. It accounts for 6% of the world's exports and 30% of the world's exports in services. In developing countries, tourism generates 45% of the total exports in services (UNWTO statistics).

As above-mentioned tourism is an important sector for women. The percentage of women in tourism employment is generally higher than in other sectors, particularly in countries where tourism is a more mature industry. However, just like in many other sectors, women are much more likely to be employed on a part time basis (temporary and seasonal employment), and being paid less than men are. The tourism sector has also a significant horizontal and vertical gender segregation of the labor market. Horizontally, man and woman are placed in different occupations; and vertically, women dominate lower levels and occupations with few career development opportunities. On the opposite, key managerial positions are dominated by men, despite women around the world possessing higher levels of education.

Integrating gender perspectives into the discussion of tourism is particularly important. The tourism industry is one major employer of women, offers various opportunities for independent income generating activities and at the same time affects women's lives in destination communities (ethics.unwto.org/en/content/gender-and-tourism). This research aims to examine the importance of women in the tourism sector, analyze and evaluate the reasons for and constraints to women's vertical and horizontally mobility. It is suggested to improve the role and situation of women in tourism, in order to allow more balanced gender participation in the economy. In this sense, it is believed that

it can have strong managerial implications, thus contributing gradually to the empowerment of women, so that they can play a greater role in the global marketplace, also promoting national competitiveness and higher levels of well-being for the society. Besides its managerial implications, it will provide contributions to the advancement of knowledge on gender studies, namely on women's participation in the tourism economy.

“The crucial role tourism plays in empowering women politically, socially and economically. But it makes it very clear that more must be done to close the gender gap, in particular ensuring equal pay for men and women for equal work, raising employment quality and ending all discrimination” (Taleb Rifai, 2011).

UNWTO is committed to enhancing the positive impact of tourism development on women's lives. UNWTO gives the following information on the gender aspects of tourism:

- in most regions of the world, women make up the majority of the tourism workforce;
- women tend to be concentrated in the lowest paid and lowest status jobs in tourism;
- women perform a large amount of unpaid work in family tourism businesses (<http://ethics.unwto.org/en/content/gender-and-tourism>).

According to the UNWTO, women make up the majority of the tourism workforce, but that they tend to be in the lowest paid, sometimes even un-paid, and lowest status jobs. In order to promote gender equality, support opportunities for women and end violence against women, it is important to empower women. The UNWTO launched a new action plan for the empowerment of women through tourism – as a part of UN Millennium Development Goals on gender equality – which represents an opportunity for innovative programs and strategies to foster women's empowerment and gender equality in tourism (International conference, 2012 University of Aveiro, Portugal).

Women make up an important percentage of the tourism workforce, but more work must be done to close the wealth and skills gap between men and women employed in tourism, according to a new World Tourism Organization (UNWTO)/UN Women report launched at the ITB tourism fair in Berlin on 11 March 2011).

The tourism sector has played a significant role in empowering women politically, socially and economically. However, decisive action on behalf of both men and women, at all levels, remains vital in order to close the gender gap, particularly by ensuring equal pay for equal work, raising the quality of women's employment and ending all forms of discrimination.

Similarly, while as an “entry point”, tourism offers young persons an excellent opportunity to enter the labor

market, pressing challenges still remain. Special attention must be paid to improving the vulnerable situation in which young workers often find themselves, particularly due to issues of precarious work and the seasonality of the tourism sector, which may precipitate forms of exploitation (Regional Seminar on Responsible Tourism: Opportunities for Women and Youth, Nigeria, June 2012).

Tourism has demonstrated its potential for creating jobs and encouraging income-generating activities to benefit local communities in destination areas. The tourism sector definitely provides various entry points for women's employment and opportunities for creating self-employment in small and medium sized income generating activities, thus creating paths towards the elimination of poverty of women and local communities in developing countries. However, there are a number of conditions under which this potential can be used more effectively. This requires collaboration of all stakeholders- governments and intergovernmental bodies, local government, industry, trade unions, local communities and their different member groups, NGOs, community based tourism initiatives, etc. Increasing the use of tourism's potential whilst safeguarding the natural environment and cultural heritage and increasing social and economic justice should be the goal of further tourism development.

Tourism does have the potential to bring opportunities and benefits to women. Many women are responding to tourism in innovative ways that benefit themselves and their communities and also enhance the sector. Tourism brings a large number of employment opportunities to women; the ILO (International Labor Organization) estimates women account for 46% of wage employment in tourism globally and up to 90% if including catering and accommodation. Employment increases women's economic independence, decision-making power and social freedoms resulting in a positive, knock on effect on gender relations in the domestic and community setting. Getting in to the tourism supply chain is a real opportunity for women and family led entrepreneurs and SMEs (small to medium-sized enterprises), especially if a country's tourism strategy targets the local economy and businesses.

Women are almost twice as likely to be employers in tourism as compared to others sectors. Tourism also offers leadership possibilities more than in any other branch of government. Nevertheless, women are often “concentrated in low-skill, low-paid and precarious jobs,” typically earn “10% to 15% less than their male counterparts,” and tend to perform jobs such as cooking, cleaning and hospitality, states the report (www.unwomen.org/.../tourism).

Tourism has the potential to contribute to greater gender equality and the empowerment of women, in line with the Third Millennium Development Goal.

“Tourism presents a wide range of income-generation opportunities for women in both formal and informal employment. Tourism jobs are often flexible and can be carried out at various different locations such as the



workplace, community, and household. Additionally, tourism creates a wide range of opportunities for women through the complex value chains it creates in the destination economy.”

Some of its key findings:

1. Women make up a large proportion of the formal tourism workforce.
2. Women are well represented in service and clerical level jobs but poorly represented at professional levels.
3. Women in tourism are typically earning 10% to 15% less than their male counterparts.
4. The tourism sector has almost twice as many women employers as other sectors.
5. One in five-tourism ministers worldwide is a woman.
6. Women make up a much higher proportion of own-account workers in tourism than in other sectors.
7. A large amount of unpaid work is being carried out by women in family tourism businesses (<http://www.travel-impact-newswire.com>).

However, tourism also brings some threats and risks to women and girls: perpetuating gender stereotypes, low pay, sexual harassment and physical threats, unwelcome cultural and attitudinal changes, increased burden of work and sexual exploitation of women and children.

One of the fastest growing and most dynamic spheres of the global economy, tourism is not only ideally poised to ensure prosperity but also to promote women’s empowerment, gender equality, youth employment and children’s rights. Moreover, women and young persons are exceptionally well placed to plan and establish tourism products based on the wealth of cultural heritage across Africa, whether in the form of handicrafts, folklore, dances, or gastronomy, towards inclusion in lucrative tourism value chains. Since more equal and diversified businesses and organizations produce better results in terms of productivity, sustainability and overall quality, the entire sector stands to profit from the active and equitable participation of women and youth.

The tourism industry positions itself as a major employer of women globally and an industry that is women friendly – opening doors for women – as the UNWTO proudly claims! However research and the stories of women engaged in tourism around the world has shown repeatedly that it is an industry that is far from being gender just. EQUATIONS work in this area examines the realities of tourism from the lens of women – particularly its most exploitative impact – the proliferation of sex tourism (http://www.equitabletourism.org/tourism_details.php).

Touristic countries socio-cultural structures have changed considerably under the influence of tourism. These changes, both positive and negative, have varied from country to country. The reactions of the hosts in the face of these changes have been quite diverse, ranging from an active resistance to a complete adoption of Western culture.

The choice of strategies to cope with changes wrought by tourism depends on the socio-cultural characteristics of the host community and the level of change affected by tourism. It is proposed that a previously homogeneous community characterized by particular responses to tourism becomes diversified and groups exhibiting different responses to tourism emerge within the community as a result of touristic developments (Hasan Zafer Doğan,1989).

Where women were not members of the paid workforce before tourism was established at a destination area, their entering the workforce can cause changes in family structures, as the economic balance in the family shifts. The working conditions for unskilled employees, who are mostly women and children, are mostly sub-standard. Additionally, the time-spent undertaking paid work often collides with women’s responsibilities for family and home. Women also receive significantly lower wages than men, as many studies have pointed out (<http://www.gendercc.net/fields/tourism.html>).

Like a woman labor child labor is also a well-known problem in the tourism sector and affects both girls and boys. Girls are additionally impacted by the risk of sexual harassment and abuse. In many tourism destinations, spreading prostitution has caused an increase in severe and often life-threatening diseases, in particular for women. Prostitution often coincides with abuse and violence against women, and can have severe consequences for social integration.

Sexual tourism involves travel across national or international borders in order to take part in a non-reproductive sexual encounter. Sex tourism can be domestic (commercial sexual activity within the same country), or international, involving cross-border trips for the same purpose. The sexual encounter may be with an adult or minor, man, woman, transsexual or transvestite. It must involve an exchange of money or material goods for a sexual act. The area becomes gray when defining who is involved in sexual tourism. There are no benefits and nothing good can come of it. Child exploitation and human trafficking are used to prove the damage sexual tourism can bring to a country.

Commercial sexual relationship can engage adults and children. Child sex tourism is illicit, though it forms a major portion of a multi-billion-dollar, fast-growing industry linked to human trafficking and child pornography. Child sex tourism is mainly practiced in Thailand, Brazil, Cambodia and India, WTO figures show and is also associated with sexual exploitation of children - mostly of poor origin in underdeveloped countries - and is intermeshed with adult sex trade (Chris Ryan; C. Michael Hall, 2001).

Female sex tourism, or trips by women for sexual intercourse, is practiced in many countries such as: Southern Europe, The Caribbean, in some African countries and also in Peru, Morocco, El Salvador and so on. Sex tourists usually go to countries where prostitution is legal or local laws are more relaxed, using the advantage of lower costs of

services. Sex tourism is also believed to benefit both the sex industry and the tourism industry (taxi, hotels, restaurants and airlines). Organizations protecting human rights alert on the negative health, cultural and social effects of sex tourism as it prospers on the basis of economic, social, age and gender inequalities. Others insist that sexual activity is a private issue and institutions should stay away (Diane Perrons, 2004).

What can the tourism industry do to raise awareness and try to end violence towards women? Having economic opportunities and education is one of the most important ways for women to empower themselves to seek a better quality of life for themselves, their families and their communities. It is important to provide educational activities for women to better improve their opportunities for working within the tourism industry. The tourism industry can contribute to the effort by creating opportunities for women and spread awareness of gender issues (www.ecotourism.org/news/tourism).

The International Institute of Environment and Development (IIED) and others have done much work on Pro-Poor Tourism. Given women's socio-economic position in most societies a pro-poor approach to tourism will benefit them, so integrating gender equality in pro-poor tourism strategies is an effective and sustainable approach (DM: Cross Cutting Issues and Gender, 25 September, 2012).

Tourism companies should be held to account for their gender policies (whether explicit or implicit) in order to provide more opportunities for promotion and training for women workers and to redress the historical imbalances in tourism work. Second, there could be a more open debate in tourism policy circles about the politics of women's empowerment and gender equality. This would allow gender and tourism policy to move beyond narrow, market-based conceptualizations and to present more creative and innovative ways of achieving MDG3 (Millennium Development Goal 3). Third, policy-makers could pay more attention to feminist analyses of tourism development. We need to move beyond generalized statements about the contribution of tourism to MDG3 and begin to explore the practical ways in which this relationship can be operationalised. This would require the involvement of feminist academics and practitioners at all stages of the tourism policy process – including implementation – to ensure that such policies retain a political commitment to broad notions of gender equality and women's empowerment (www.unwomen.org/.../tourism).

The principle objectives of the talk are to:

- * raise awareness of the opportunities that tourism offers to women and youth through panel discussions in the context of capacity building, community development, entrepreneurship and leadership;

- * determine ways of overcoming obstacles to the empowerment and equality of women and youth in the tourism sector; and

- * call for enhanced cooperation and coordination between governments, regional and international organizations, the private sector, and civil society actors, to tap the potential of women and youth in tourism.

It is suggested to promote gender equality and women's empowerment in tourism matters for two reasons: first, national governments and international organizations are committed to gender equality through a series of commitments: the Convention on the Elimination of all forms of Discrimination against Women (CEDAW); the Beijing Declaration and Platform for Action, and the Millennium Development Goals, in particular Goal 3. Gender equality and women's empowerment are fundamental components of just, equitable societies. UNWTO believes that tourism can provide pathways to empowerment, and that the opportunity for tourism to make a difference in this area should be maximized. Second, due to women's concentration in the lower status and lower paid jobs in tourism, their potential to contribute fully is currently untapped. Empowering women to participate fully in economic life is essential to building strong economies; creating more stable and just societies; achieving internationally agreed goals for development, sustainability and human rights; and improving the quality of life of women, and consequently, that of communities. For the tourism industry, the impact of greater gender equality and women's empowerment would be highly beneficial, because diverse and gender equitable organizations perform better (<http://ethics.unwto.org>).

References

- Chris Ryan; C. Michael Hall. *Sex Tourism: Marginal People and Liminalities*, Routledge, 2001
- Diane Perrons. *Globalization and Social Change: People and Places in a Divided World*, Routledge, 2004.
- DM: Cross Cutting Issues and Gender. *Tourism and Gender Equality*. Gender Equality Knowledge Note, 25 September 2012
- Hasan Zafer Doghan, *Forms of adjustment: Socio-cultural impacts of tourism*, *Annals of Tourism Research*, Volume 16, Issue 2, 1989, Pages 216–236
- International Conference, *Gender issues: Implications for Leisure and Tourism*, March 1st-3rd, University of Aveiro, Portugal, 2012
- Regional Seminar on Responsible Tourism: Opportunities for Women and Youth, Nigeria, June 2012
- Taleb Rifai, UNWTO Secretary-General, *The Global Report on Women in Tourism 2010*, Berlin in March 2011
- ethics.unwto.org/en/content/gender-and-tourism
- www.ecotourism.org/news/tourism
- http://www.equitabletourism.org/tourism_details.php
- <http://www.gendercc.net/fields/tourism.html>
- <http://www.travel-impact-newswire.com>
- www.unwomen.org/.../tourism

Chapter 3

MEDICAL TOURISM, EDUCATIONAL TOURISM, SECURITY

Tbilisi - Batumi, GEORGIA
May 24, 2013 – May 26, 2013



Medical Tourism Potential in Turkey: The Case of Izmir City

Ali KÖSTEPEN

MSc.

*Izmir Katip Celebi University, Faculty of Tourism
Anadolu Cad. No: 951 Kat:4, Cigli, Izmir, Turkey, 35580.
ali.kostepen@ikc.edu.tr*

Zafer ÖTER

Ph.D.

*Izmir Katip Celebi University, Faculty of Tourism
Anadolu Cad. No: 951 Kat:4, Cigli, Izmir, Turkey, 35580.
zafer.oter@ikc.edu.tr*

Abstract

Nowadays, number of international travelers exceeded one billion and global tourism receipts totals to over one trillion American dollars (USD). Alternative tourism types or special interest tourism types have emerged to respond the increasing need of diversity. Golf and other sports, cultural heritage, hunting, religious, and health tourism are some examples of special interest tourism. Health tourism has a particular position since it can be traced back to early days of humanity. Nearby traditional health travels (spa and wellness) medical tourism is on the rise thanks to the technological developments in transport and medical industry. Health tourism has four main categories; thermal, disabled, geriatric, and medical. Medical tourism requires travel to a destination to receive medical treatment and generates around 100 billion USD globally. Currently; United States of America (USA), Costarica, Mexico, India, Malaysia, and Thailand play important role in this industry. Despite Turkey's modern and high-quality medical infrastructure combined with her competitive tourism industry, her global position in medical tourism still needs to be improved.

The main goal of this study is to discuss Turkey's medical tourism opportunities and inspect Izmir city's medical tourism potential. Public and private hospitals, and accommodation industry of Izmir will be questioned. Another aim of the study is to discuss which medical tourism products can be developed in Izmir and for which markets in the World. This qualitative research aims to collect primary data through in-depth interviews with key informants from the industry.

Keywords: Medical tourism, Turkey, Izmir, marketing.

Introduction

Throughout history mankind traveled for various reasons. Increasing wealth and health accompanied with leisure time and travel industry provided enlargement of choices. In this context, new types of tourism are entering to the scene. Globally; tourism is a modern industry despite the old tradition of traveling. After 1950s tourism has become truly a global industry thanks to advances in air transport. At the end of 20th century two basic categories of tourism has been noted; mass tourism where hundreds of millions of holidaymakers participated overwhelmingly for pleasure reasons and alternative tourism types where several new sub-groups of activities are invented for the diversification (Aydın et al., 2011; İçöz, 2007).

Travelling for medical or health reasons has also a long past. While in old days traveling to other cities or other countries was a privilege of a limited number of participants. However to the end of 20th century technological advancements and ease of transport stimulated travel for health for larger audiences. In the last 20 years health tourism is on the rise as one of the significant alternative tourism forms. In particular, after 1970s international health tourism programs and services have been developed. Therefore mixing health and tourism services as a product is a recent

phenomenon (Herrick, 2007; Connell, 2005)

Health tourism can be analyzed under four categories:

- a - Thermal tourism (wellness and spa)
- b - Disabled tourism
- c - Geriatric tourism
- d - Medical tourism

In this study, only one section of health tourism will be tackled. Medical tourism is chosen for the analysis. Firstly, the current situation medical tourism in the world and in Turkey will be presented. Following this, Izmir city and her capacity in medical tourism will be questioned. During the research process the future and potential of medical tourism in İzmir city will be analyzed through a qualitative research method. In this vein, in-depth interviews are realized with health tourism stakeholders in İzmir city. Respondents are hospital managers in İzmir city located both in metropolitan central area and peripheral parts of the city.

1. Development of Medical Tourism in the World

Development of medical tourism in the world as an international trade topic is a recent phenomenon. During

20th century thanks to the progress in medical technology and treatment methods medical tourism has also developed in parallel with other medical progresses (Bostan et al, 2012). In 1970s international patients were frequently travelling to American medical centers since they were equipped with latest technology and their employees were highly qualified. After 1970s some Asian countries have invested on medical tourism and they have become competitors against American and European medical centers. Most of their employees were educated and trained in Western medical centers (Herrick, 2007; Connell 2005). A good example for this trend is Apollo Hospital founded in India's city of Chennai in 1983. The group of Apollo Hospitals provides medical tourism services with their branches overpassing 30 hospitals around the country.

Not only in India are observed medical tourism investments. Several other Asian countries followed India's example and started their own medical tourism operations with reasonable prices compared with Western markets. The growth of medical tourism is expected to continue in the following years (Ehrbeck et al., 2008). There are factors stimulating the development of medical tourism including high costs of medical treatment in one's own country, long waiting periods for some medical operations, inadequacy of some medical treatment and so on. As a result, patients prefer to go abroad and buy quality health service with reasonable prices. Nearby receiving medical treatment patients have also option to visit tourism attractions at the country they receive treatment.

Today, pioneers of medical tourism are Asian countries like India, Thailand, and Malaysia. The reason for these countries' success lies behind their ability to offer quality health services for lower prices. Additionally, these countries offer tourism products nearby medical treatment.

India has attracted many medical specialists educated in developed countries such as the ones from United States. India has invested heavily for medical tourism superstructure and infrastructure too. Another advantage of India as a medical tourism destination is that English is the second official language of the country. Thailand on the other hand has made a reputation for transsexual medical operations since there is a high demand for this operation. Medical tourism services offered in Asian countries are of high quality level with international standards idem in United States or European countries. The major difference and asset of Asian countries is the low level of costs which creates competitive edge (Herrick, 2007; Connell, 2005).

After Asian countries there has been a growing interest to medical tourism in Latin American countries. Traditionally Latin American people would go to United States for medical travels but because of high prices in USA they started to invest in medical treatment centers with cutting edge technology. Practically many American medical enterprise and hospital owners built hospitals in Latin American countries to serve to international medical

tourism market. During their investment these American firms also brought new technology and skillful personnel to Latin America. Among Latin American countries it is possible to point Mexico, Costa Rica, Argentina, Brazil, and Colombia as distinct health tourism centers specializing in certain treatments such as dentistry, cardiac surgery, and plastic surgery.

In Europe there is an exchange between developed rich nations and emerging economies of developing countries. Europeans living in Western and Northern Europe where medical services are expensive prefer to travel to Eastern European countries with low health service costs and get quality service. For instance, German patients prefer to go to Poland for dental treatment. Likewise, Austrian patients travel to Hungary for dental and ophthalmologic treatment reasons (Herrick, 2007). Turkish expats living in Europe (mainly in Germany) prefer to get their medical treatment for lower costs and with high quality service in Turkey.

Other emerging destinations for medical tourism crystallized in Middle East during 2000s. Countries like United Arab Emirates, Qatar, and Kuwait try to attract medical tourists by offering them high quality medical services. However, these countries do not have competitive advantage in terms of prices (Icoz, 2009).

In Saudi Arabia, medical services are mostly related with Hajj and Umrah visits. This country receives an excessive number of pilgrimage visitors during Hajj period from all over the world. On the other hand, Umrah visits continue round the year bringing visitors from all over the world. Offering health service to these groups is a major concern for Saudi officials. Iran is attracting medical tourists from Sunni countries of Islam geography thanks to the sperm transfer surgeries realized in this country. This operation being prohibited in Sunni countries attract visitors to Shia Iran (Akdu, 2009).

Despite all these new competitors emerging around the world, USA still continues to be the leader of medical tourism market. The leadership of USA in this particular business category is based on factors such as; ownership of modern medical facilities, provision of specialist personnel, long-term experience in the market, and interest from abroad to visit USA. As an example; Cleveland Clinic is well-known globally for success in cardiovascular surgeries.

According to McKinsey & Company (2013) data; in 2012 receipts generated by medical tourism has reached 100 billion USD (American Dollar) in the world. About Turkey, there is data from 2009 and Turkey's share from global medical tourism receipts is 225 million USD.

2. Medical Tourism in Turkey

Tourism industry has a significant role in Turkish economy because Turkey has abundant cultural and natural heritage that can attract a variety of visitors from the world.



According to the figures of 2011 Turkey is the 8th country in terms of international tourism receipts with her income approaching 30 billion USD (United States Dollar) (www.kultur.gov.tr, 2013). Tourism receipts constitute 18.26% of Turkish export revenues, and tourism receipts compensate 29.07 % Turkish foreign trade deficit (www.kultur.gov.tr, 2013). Turkey has become one of the key mass tourism destinations of the world in less than 3 decades. After mid 1980s Turkey started to follow serious tourism development policies by respective governments and thanks to the incentives provided to the investors several accommodation units have been constructed around the Mediterranean and Aegean shores.

However Turkey took notice of a problem in her tourism development process during 2000s. The image of mass tourism destination did not help a sustainable tourism growth in the country. Turkey decided to diversify her tourism markets and tourism products so that all regions of the country can benefit from tourism round the year. Developing alternative tourism forms has been adopted as the new policy. Following tourism types are planned to be developed in the near future:

- Cultural tourism: historical cities like Istanbul, Mardin, and Izmir
- Faith tourism: cities with religious heritage like Istanbul, Izmir, and Adiyaman
- Plateau (pastoral) tourism: Taurus Mountains at Mediterranean Region and Black Sea Region.
- Golf Tourism: Istanbul and Antalya.
- Health tourism: Istanbul, Afyon, Kutahya, and Izmir.

There are other types of tourism to be developed (hunting, yachting, sports, gastronomy....) but the ones stated above have priority in development policies. As regards to health tourism, there is a confusion of concepts between health tourism and medical tourism.

Health tourism comprises spa & wellness tourism (thermal) tourism, geriatric tourism, disabled tourism, and medical tourism. Medical tourism is part of health tourism and aims to provide medical treatment for a patient in a country other than his or hers (Lunt et al., 2010).

Turkey started to follow developments in medical tourism recently and decided to invest in medical tourism as part of health tourism in the country. Turkey expects to increase quality of her tourism products by developing specialized tourism types. Another aim of Turkey is to receive more shares from 100 billion USD global medical tourism expenditures (Aydin and Yilmaz 2010). Turkish Ministry of Health has formed a unit called “Health Tourism Unit” in order to establish rules and principles of health tourism development in Turkey. This unit is the most important step taken until now regarding health tourism development. This Health Tourism Unit (HTU) has four sub-units:

- International coordination office
- Medical tourism office

- Geriatric and patient travel office
- Spa & Wellness office

Additionally, Turkish Ministry of Culture and Tourism supervises preparations for health tourism via its directorates and regional tourism offices based in each province. On the other side, Turkish Ministry of Industry and Trade develops incentives for investors and entrepreneurs interested in medical tourism. Turkish Ministry of Finance announced tax reduction of 50 % for medical tourism enterprise operations in Turkey (Turkish Medical Tourism Association, 2013).

Turkey already has some important assets pertaining to health tourism. The advantage of Turkey in health tourism is based on her highly developed tourism industry (both infrastructure and superstructure), innovative health science, new medical projects, and internationally acknowledged high quality service standards. Indicators show that, Turkey can become an important stakeholder in international medical tourism domain. In Turkey there has been a considerable progress and several improvements regarding public and private health services during the latest decade (TUSIAD, 2007).

Above mentioned ministerial supports and increasing number of private and public hospital constructions with higher bed capacities all confirm the potential of Turkey as a medical tourism destination. With medical travelers (patients) arrive to a destination one or more companions. Patient and companions not only stay at the hospital for medical operations but also visit several areas of the destination during their stay. Turkey’s tourism industry already is well-structured for this type of visits.

In Turkey several medical treatments are realized with high quality. Among the medical treatment domains some of well-established domains are; oncology, cardiology, cardiovascular surgery, orthopedic therapy, traumatology, plastic surgery, test-tube baby (fertility tourism), hemodialysis, oral treatments and dental services (Haberturk Turkish Daily, 15.03.2009).

Medical travelers come to Turkey from Europe, Middle East, and Asia regions in most cases. As regards to European countries, patients arrive from Germany, Albania, Ukraine, Austria, Belgium, and England. Central Asian countries (Turkic republics), Russia and Middle Eastern Arab countries also constitute important levels of arrival. When Turkey signs new health related contracts and conventions with countries from where she already receives significant volume of tourist arrivals she can develop medical tourism easier with these countries. Turkey already has signed social security cooperation conventions with countries such as; Germany, Albania, Austria, Azerbaijan, Belgium, Bosnia-Herzegovina, Czech Republic, Denmark, Georgia, France, Holland, England, Sweden, Switzerland, Turkish Republic of Northern Cyprus, Canada, Libya, Luxembourg, Macedonia, Romania, and Norway (Turkish Ministry of Health, 2013). Turkey owns 43 hospitals certified by JCI

international medical accreditation organization. With this figure Turkey is the second country in JCI global ranking by number of hospitals (www.ozelrastaneler.org, 2013). In Turkey some areas and cities are more prone for medical tourism development. Izmir is one of these cities where medical tourism can flourish easily.

3. Tourism in Izmir City

Izmir is one of the earliest settlements in Anatolia. According to latest archeological finds history of the city goes back to 8500 years. Throughout all this time Izmir has accumulated a rich cultural heritage belonging to several civilizations. Izmir has abundant natural resources, clean shores and thermal resources which can be used not only for pleasure travel and holidays but also for health tourism. Izmir had been an important healing center during ancient times thanks to the thermal water resources, and it has ruins of ancient Pergamon settlement located very close to the Asclepion medical center of renowned physician of ancient times, Galenos. In modern Izmir city there is a significant level of medical infrastructure and human resources thanks to the socio-economic profile of the area. ,

Turkey has developed a globally acknowledged tourism industry in a short while. Turkish tourism was a reply to European tour operators' new destination quest around Mediterranean Basin for their pleasure seeking mass tourists. For this reason Turkey is known a destination of 3 S (sun-sea-sand) where holidaymakers flocked from cold Northern countries such as England, Germany and so on. As a result of this development model, Antalya, Mugla, Aydin (Kusadasi, Didim) rose as tourism centers all located around Aegean and Mediterranean shores. Izmir also has become a destination for holidaymakers thanks to her mild climate and natural beauties. However, Izmir is not as successful as Antalya and Mugla in terms of tourist arrivals as a holiday destination. Therefore, Izmir needs new tourism types to be developed convenient with her metropolitan status.

In Izmir there is a growing interest for health tourism among several stakeholders. This interest seriously increased after the establishment of "Health Tourism Coordination Office" under auspices of Turkish Ministry of Health. As a result medical records are better managed and inventorial works has been started in this city.

In Izmir there are new and modern hospitals belonging to public and private universities and independent companies. Increasing number of medical professionals matched with the increase in number of facilities. These developments have changed the status of Izmir as a new destination of health tourism. Izmir can welcome visitors from all segments of health tourism including medical travel.

Historically one of the early medical centers of humanity was established in Izmir's Bergama (Pergamon) area. This center was named Asklepios after the healing god's name in ancient Greek mythology. During ancient Greek and Roman periods this area offered drug, flora and fauna for

healing purposes and attracted visitors from different parts of the world. Thermal spa water had played an important role in ancient time. Today these aquatic resources are also supported by high-tech health facilities. Therefore modern medical centers can again attract international medical travelers from the world.

In Izmir province there are many options about packaging medical services with other tourism products and amenities. This can be possible by mixing health tourism with cultural activities, sport activities, charity organizations, religious visits, gastronomic visits and so on.

Tourism destinations located in Izmir province are listed as;

- Cesme district and its vicinity
- Foca district and its vicinity
- Selcuk district and its vicinity
- Bergama district
- Tire district and its vicinity
- Odemis district and its vicinity

In Izmir province there are alternative tourism types that can be developed nearby mass tourism as listed below;

- Faith (religious) tourism
- Cultural tourism
- Event/business (MICE) tourism
- Cruise visits
- Health tourism

Medical travelers and other health tourism participants have a variety of choices during their visits in Izmir regarding cultural and social activities related with tourism. Izmir city can offer entertainment, recreation, animation, and several other leisure activities which can support healing process of medical travelers. In order to operationalize this potential in Izmir providers of these activities should be informed about medical tourism. Without a certain level of awareness on medical tourism service providers could confuse about customer expectations and service standards since they generally have expertise of serving to mass tourism markets. As regards to city administrators and local authorities they need to reinforce infrastructure of the city. Infrastructure is crucial before developing several superstructure investments. In this vein there is need to improve local transport, city air quality, reduction of pollution at air, water, landscape and so on.

One other aspect that creates confusion is the difference between "tourist health" and "health tourism". While the city tries to attract visitors as medical travelers to medical facilities and hospitals other type of tourists may need health services because they become ill or have some medical problems during their holidays or visits. In fact these types of tourist health interventions are opportunities for city hospitals to promote and demonstrate their service quality. A tourist that came for holiday and needed medical treatment



because of urgency learns about health system of the country and the city. In future this tourist can revisit this destination as a repeat visitor but this time as a medical traveler.

4. Methodology

This study is based on qualitative research approach. In order to collect primary qualitative data about research problematic a semi-structured questionnaire form was developed for in-depth interviews. Interviewees for this research were managers of public and private hospitals in Izmir city. In total there were 30 hospitals chosen in Izmir including those in metropolitan area and peripheral districts during the research period. There are more than 30 hospitals in Izmir but for the sake of practicality and convenience only 30 of them were selected for this research. 16 of these hospitals were publicly owned. During this research process 8 in-depth interviews were completed with hospitality managers. 1 interview was realized with Izmir Provincial Health Directorate responsible. 4 interviewees were female, and the rest were male. Women interviewees were employed as responsible from foreign patients unit. Male participants were managers in 3 cases, and 2 of them were director of foreign patients section of their hospitals. Interviews started 7th of May in 2013 and ended 17th of May. Therefore in total 9 interviews were realized in 10 days. 1 of hospitals included in this research was from the peripheral districts of Izmir. 8 hospitals included in this research were located in Izmir Metropolitan area. All interviews were recorded and their duration reached in total 405 minutes (6.75 hours). After each interview data collected were verbally written on Microsoft word file. After eliminating unnecessary and non-useful parts of the data records, 7 pages of word document were created as content to analysis.

Table 1: List of interview questions used during in-depth interviews with hospital managers

1. How do you assess medical tourism related activities in Turkey? In this context please tell how you evaluate medical tourism preparations at ministerial levels, in particular that of Ministry of Health?
2. In Izmir city what type of medical tourism and health tourism services can be offered to international patients?
3. From which parts of the world, do you think medical travellers can come to Izmir? Actually do you serve to any medical travellers, if yes where do they come from?
4. What are the responsibilities of public and private hospitals in Izmir as regards to development of medical tourism in Izmir? What type of preparations and precautions did you realize?
5. How do you think medical tourism can develop easily in Izmir? What sort of activities is needed? Do you believe Izmir has a potential in global medical tourism market? Why?
6. In your opinion during the medical tourism development process how should tourism professionals and health professional cooperate? How can they create synergy and efficient collaboration?

Table 2: List of private hospitals chosen for in-depth semi-structured interviews in Izmir province

1. MEDICAL PARK
2. KENT
3. MENEMEN SADA
4. CESME SISSUS
5. EKOL KBB (EAR, NOSE, THROAT SPECIALIST)
6. ATAKALP (CARDIOLOGY SPECIALIST)
7. EGEPOL
8. EMOT EL MİKROCERRAHI ORTOPEDI TRAV. (HAND MICROSURGERY ORTHOPEDY TRAUMATOLOGY SPECIALIST)
9. GAZI
10. HAYAT
11. ALSANCAK KASKALOGLU GOZ (EYE/OPHTHALMOLOGY SPECIALIST)
12. SU
13. EGE SAGLIK
14. TORBALI MEDIFEMA

Table 3: List of public hospitals chosen for in-depth semi-structured interviews in Izmir province

1. BORNOVA AGIZ DIS SAGLIGI MERKEZI (DENTISTRY)
2. KARSİYAKA AGIZ DIS SAGLIGI MERKEZI (DENTISTRY)
3. ALSANCAK AGIZ DIS SAGLIGI MERKEZI (DENTISTRY)
4. ALIAGA DEVLET
5. BORNOVA TURKAN OZILHAN
6. BUCA KADIN DOGUM (OBSTETRICS, GYNAECOLOGY, INFANTILE)
7. BUCA SEYFI DEMIRSOY
8. CESME ALPER CIZGENAKAT
9. KARSİYAKA DEVLET
10. URLA DEVLET
11. BOZYAKA E.A.H.
12. ATATURK E.A.H.
13. BEHÇET UZ COÇUK (INFANTILE DISEASES)
14. SUAT SEREN (PULMONARY)
15. KONAK DIS (DENTISTRY)
16. TEPECİK E.A.H.

Data collected were analyzed with qualitative analysis techniques. In this context; narrative analysis, content analysis, and interpretation have been applied. After coding basic tenets of each interview some patterns occurred within the data set. These patterns were grouped. According to these findings interpretation process has been utilized based on earlier literature search and primary research data. Difficulties confronted during the research were; cost of transports and difficulty of getting approval for interview date and time since participants had managerial positions.

5. Results and Discussion

According to the findings of the research assessment regarding Turkish Ministry of Health shows a passive relationship between medical facilities (hospitals) and the Ministry of Health. In general terms; hospitals receive regulations, bylaws and other legal documentation from the Ministry unilaterally and then they try to prepare themselves for requirements of the Ministry. Hospitals receive news and documents from the Ministry and some of them just archive these documents, while some ambitious ones try to prepare their staff and facility for future medical tourism. Another aspect related with this assessment is the immediacy (freshness) of the medical tourism phenomenon. Especially year of 2011 is very critical and most of respondents stated their interest was born after this year, since the Ministry of Health has issued a circular order to stimulate health tourism in Turkish hospitals in this year. This circular order is a milestone in the development of health tourism in Turkey. Currently, hospitals are busy to prepare themselves to get ready to benefits offered as incentive by this circular order. With this order the Ministry determined 18 provinces as pilot areas for health tourism with 40 hospitals in these provinces. Izmir belongs to this list. However, majority of the respondents agree that Turkey is currently at the initial stage of medical tourism. For Izmir city, it is possible to talk about tourist health rather than medical tourism.

Types of medical tourism and health tourism services are multiple in Izmir. In Izmir hospitals can offer a variety of medical services to international patients. Medical services available for international visitors are; scald treatment, general surgery, oncology (cyberknife technology), ear-nose-throat (auto laryngologist) treatments, infantile diseases (in Izmir there are hospitals entirely serving for infantile and children treatment), dental treatment, aesthetic (plastic) surgery, test-tube baby, cardiology, orthopedic, obstetrics and gynecology, dermatology, brain surgery, gastroenterology, hair transplantation, dialyses, and physiotherapy.

Origins of actual and potential medical travelers were indicating a geographically diverse profile. There are few visitors coming for medical tourism, but a great amount of visitors come and get treatment from hospitals in Izmir in the form of tourist health services. Arab countries (Syria, Saudi Arabia), Austria, France, Azerbaijan, Germany, Bulgaria, Georgia, USA, Scandinavian countries, Far East countries (especially Philippines), England, Turkic Republics of Central Asia, Moldova, Ukraine, and Ireland. When we reconsider these countries one fact is evident; most of visitors related with tourist health come from Turkey's neighbor countries with low per capita income levels, while medical tourists come from Gulf countries and OECD countries (Western Europe, USA) with high income levels. Far East and Central Asia also plays a role.

Responsibilities of public and private hospitals in Izmir as regards to development of medical tourism in Izmir created bipolarization in answers. Here public hospitals

are suspicious about support of government. They believe medical tourism is more convenient for private hospitals while public hospitals have a primordial role of serving to local people and Turkish citizens together with tourist health services before attracting medical travelers. Complaints were recorded from public hospitals especially regarding the services given to visitors as tourist health. Most of these services were given in emergency cases. Some of tourists were not paying for their medical treatments and were escaping from hospitals. Increasing coverage and quantity of partnerships between Turkish Ministry of Health and foreign Ministries and Social Insurance Offices, and Insurance companies is a must before asking hospitals to develop medical tourism. Translation and use of foreign language is also important for hospitals before accepting their visitors. Bureaucratic processes and excessive paperwork were highly criticized. Easier, lean, quick, and smooth service processes should be designed between stakeholders.

Medical tourism can develop easily in Izmir because this city is already a tourism destination and has experience in tourism services. Not only local decision makers agree on competitive advantage of Izmir in medical tourism but also central decision makers in Ankara also support this idea. Izmir being a city with harbor and having NATO military base frequently receives international cruise visitors. In this city foreign people live for professional or family reasons as well. Global competition is what decision makers should take into consideration. If Izmir will be a globally accepted medical tourism destination other global cities should be analyzed and competitive forces of Izmir should be defined.

Regarding the medical tourism development process and cooperation possibilities between tourism professionals and health professionals roles are clearly defined in majority of the interviews. Tourism industry is expected to bring the customer by doing marketing management about medical tourism. In this vein, tourism industry should market and promote medical tourism as a product abroad. There is also a division of roles as interior vs. exterior responsibilities. Health professionals accept to serve to the medical traveler if the patient arrives to the hospital. The task of finding prospects and convincing customers, transporting, accommodating, and entertaining these visitors are all expected from tourism professionals. Risk of role distribution will be clear during the share of medical tourism revenues. Some hospitals may be unwilling to share income generated with tourism industry. Therefore, for some cases a competition between tourism and health industries create threat for future.

Conclusion

Izmir city can have a positioning in medical tourism. The city has already some assets such as natural and cultural heritage, an established tourism industry with spa and thermal hotels, tour packages, air transport alternatives and so on. There is a demand for Turkish medical services from near and far geographies. A special marketing program can be developed for Arab countries and North African countries



with low income levels. Another marketing program is suitable for Gulf Cooperation Council (GCC) States with high income levels. European countries can be valorized in two ways. Firstly, attracting Turkish expats living in Europe for medical services in Turkey, especially during their annual holiday periods is a good choice. Another choice in Europe is to attract EU citizens for quality medical services with reasonable prices.

Central Asian countries need another marketing campaign. Transport via routes and railways through Georgia to Turkey can increase transport choices other than air transport. Finally, Far East and American markets should be studied as another marketing project. People from these countries come from long distance and they should be offered complete packages including several tourism products at once. But before all, there is need to train medical personnel speaking at least one international language, preferably being English. Another important job is to increase number of agreements signed between Turkish health stakeholders (Ministry etc.) and foreign counterparts.

References

- ALTIN, Mehmet, M. Singal, Derya Kara (2011) “Consumer Decision Components for Medical Tourism: A Stakeholder Approach”, 16th Graduate Students Research Conference.
- CONNELL, John (2005) “Medical Tourism: Sea, sun, sand and... surgery”, *Tourism Management*, Vol:27, No:6 pp: 1093-1100.
- SMYTH, Fiona (2005), “Medical Geography: Therapeutic Places, Spaces and Networks” *Progress in Human Geography*, Vol.: 9, No: 4 pp. 488-495.
- HERRICK, Devon M. (2007) “Medical Tourism: Global Competition in Health Care”, Sydney, *Tourism Management*.
<http://w.medretreat.com/templates/UserFiles/Documents/Medical%20Tourism%20-%20NCPA%20Report.pdf>
Accessed: 31.11.2011.
- EISSLER, Lee Ann (2010) “The Lived Experience of Seeking Health Care Through Medical Tourism: An Interpretive Phenomenological Study of Alaska Patients Travelling Internationally for Medikal and Dental” John University of Hawaii, Dissertation Doctor of Philosophy in Nursing.
- ZENGİN, Burhanettin (2006) “Turizm Coğrafyası”, 2. Baskı, Değişim Yayınları, Sakarya.
- ŞENOL, Fazıl (2008) “Turizm Coğrafyası-Yöresel Turizm Kaynaklarımız ve Dünya Harikaları”, Detay Yayınları, Ankara.
- AYDIN, Dursun ve Cemal Yılmaz (2010), “Medikal Turizm Araştırması”, Sağlık Bakanlığı Yayınları, Ankara.
- AYDIN, Dursun, Cemalettin Aktepe, R.Pars Şahbaz, Sıddık Arslan (2011), “Türkiye’de Medikal Turizmin Geleceği”, Sağlık Bakanlığı Yayınları, Ankara.
- BALDIRAN, Şerif ve Atif Ulubay (2008), “Karadeniz Bölgesi”, Ed: Gürhan Aktaş, “Turizm Coğrafyası”, Detay Yayınları, Ankara, pp: 371-391.
- TÜSİAD (2007), “Türkiye İçin Yeni Bir Fırsat Penceresi: Tıp Turizmi”, Türkiye Sanayi ve İş Adamları Derneği Yayınları, İstanbul.
- AKDU, Serap (2009), “Sağlık Turizmi Kapsamında Medikal Turizm ve Türkiye’deki Uygulamalar Üzerine Bir Araştırma; İstanbul ve Ankara Örneği”, Basılmamış Yüksek Lisan Tezi, Gazi Üniversitesi Eğitim Bilimleri Enstitüsü.
- LUNT, Neill ve Percivil Carrera (2010), “Medical Tourism Assessing the Evidence on Treatment Abroad”, *Journal of Maturitas*, Vol:66, pp:27-32.
- SAĞLIK BAKANLIĞI (2010) “Sağlık İstatistiği Yıllığı” Sağlık Bakanlığı Yayınları, Ankara.
- İÇÖZ, Onur (2009), “Sağlık Turizmi Kapsamında Medikal (Tıbbi) Turizm ve Türkiye’nin Olanakları”, *Yaşar Üniversitesi Dergisi*, Yıl: 4, Sayı: 14, s:2257-2279.
- İBİŞ, Sinan (2009), “Bir Sağlık Turisti Yedi Her şey Dahilciye Bedel”, *Habertürk Gazetesi*, 15.03.2009.
- TRABZON İL SAĞLIK MÜDÜRLÜĞÜ, (2010), “Trabzon İli Gelen Yabancı Uyruklu Hasta İstatistiği -2010 Yılı Verileri, Trabzon.
- DÜNYA SAĞLIK DERNEĞİ ve Sağlık Turizmi Derneği (2010),” Dünya’da ve Türkiye’de Sağlık Turizmi Durum Tespit Raporu ve Çözüm Önerileri”, Bakım Ofset, Ankara, <http://www.ozelrastaneler.org.tr/images/Documents/sanal%20k%C3%BCt%C3%BCphane/D%C3%9CNYA%E2%80%99%20DA%20VE%20T%C3%9CRK%C4%B0YE%E2%80%99%20DE%20SA%C4%9ELIK%20TUR%C4%B0ZM%C4%B0-2010.pdf>
Accessed: 22.12.2011
- <http://www.ktyatirimisletmeler.gov.tr/belge/1-97119/saglik-ve-termal-turizmi-tanimi.html>
Accessed: 25.11.2011
- <http://www.ktyatirimisletmeler.gov.tr/belge/1-63775/isletme-belgeli-tesisler.html>, Accessed: 21.12.2011
- www.saglik.gov.tr, Accessed: 21.12.2011
- www.ozelrastaneler.org, Accessed: 22.12.2011
- www.kultur.gov.tr, Accessed: 22.12.2011.
- Ehrbeck T, Guevara C, Mango PD. Mapping the market for medical tourism. *McKinsey Quart* 2008; May: 111
- Turkish Medical Tourism Association, 2013. Türkiye’de Medikal Turizm, Available at: www.turkiyesaglikturizmiderneği.com, Accessed: 10.01.2012.
- Haberturk Turkish Daily, Türkiye’nin Medikal Turizm Atağı, www.haberturk.com, Accessed: 15.03.2012.
- Turkish Ministry of Health, 2013. Yataklı Hasta Tedavi İstatistikleri, www.saglik.gov.tr, Accessed: 12.01.2012

For the Matter Concerning Educational Tourism in the Caucasus

Tamar TAMARASHVILI

tamunatamarashvili@rambler.ru

Iakob Gogebashvili Telavi State University

Georgia

Abstract

With the purpose of education, traveling of people interested in “Educational Tourism” dates back to the earlier past where the Caucasus in general and Georgia took their special place.

The first quarter of the 20th century saw the rising interest of European countries and Russia towards the Caucasus and Georgia from the point of tourism. For educational purposes people used to arrive here individually or in groups in order to satisfy their scientific interest. Those people mainly came from Poland, Germany, Moscow, St. Petersburg, Ekaterinoslav, Kiev, etc.

In the Caucasus and Georgia the educational-cognitive, scientific tours were held under the consent and the patronage of government authoritative officials. Tour participants’ interest covered unique diversity of the nature, flora, fauna, architecture of historical monuments both in mountains and valleys. Also the ethnic composition of the inhabitants from the geopolitical area, their traditions, culture, peculiarities, religious denominations and others were the subjects of their interest.

The work relies on the documental materials found out in the Department of History of Georgian national Archive and the historical primary sources as well. For the first time we bring into scientific thinking the decisions made as a result of studying and analyzing them critically.

Keywords: Educational Tourism, Teaching-Scientific Tours, Educational Institutions of Russia, Touring Interests, Caucasus, Georgia.

The story of the traveling of people who were interested in “educational tourism” dates back to the earlier past. To get further education, young people used to go as far as European states, as well as to Russia. Georgia, in its turn and the Caucasus in general were also visited by both young students and scholars to meet their educational and scientific needs, to see the remarkable sights, the ancient landmarks of architecture and culture. The foreigners were always enchanted by the remarkable beauty both of the valleys and the mountains. “They enjoyed the outings in the mountains, speculating the landscapes, enjoying watching sunsets and sunrises. Special devices were often set up for tourists’ convenience e.g. binoculars. They were offered to try their hand in hunting, fishing, etc”. (Birzhakov M., 2008, pp.128-129).

Teaching-scientific tourism tours were one of the most wide-spread kinds of tourism. It combines both recreational and educational purposes. While traveling and sharing with other cultures, the tourist is also relaxing in the new surroundings.

Before the tourists embark on this kind of tour “a number of things are being prepared, such as providing them with relevant methodological literature, specially designed textbooks, the map of the city and a guidebook.

While conducting educational tours students are given accommodations in hostels and hotels where there are decent conditions”. Qualified instructors are at the students’ service. Tour operators are employed who sign contracts with the local educational institutions, with universities and colleges. “This kind of tours are tailored for any number of students. (Julakidze N., 2009, pp. 87-89).

“Educational tourism may imply traveling for language studying or qualification advancing purposes. (Maisuradze D., 2011, p. 63)

Excursions from Russia conducted to different parts of the Caucasus were quite frequent. There is plenty of information stored in the history department of the national Archive of Georgia confirming this fact. The list of the tourist groups visiting Georgia at the beginning of the 20th century is quite long and impressive. It is evident how big was the interest of foreigners especially that of educational institutions of Russian Empire towards the region through studying this material.

Here is an example. On March 10, 1910 the imperial society of naturalists existing within the department of anthropology and ethnography of Moscow University addresses His Highness the Governor of Tbilisi on account

of the fact that the society has sent “Viacheslav Bankovski, the student of Moscow University to Tiflis Guberniya in order to collect zoological material to submit afterwards to the zoology museum of Moscow University.” The society also requests to render the assistance and support to the student in his research and thus enabling him to successfully fulfill his task”. (Central Archive of History, Fund 17, Reregistration 1, Case 6823, Leaf 24).

The purpose of the student coming to Georgia on an individual basis to conduct a research becomes clear from this document. Georgia was always famous for its rare species of both flora and fauna and it was one of the biggest appeal for explorers.

In our opinion, so called tours of naturalist scientists are one of the most important among the various forms of ecotourism that exist today. These kind of tours are conducted in order to familiarize with endemic species of flora of a specific region. Equally interesting are specially designed tours on exploring zoology, entomology (study of insects), ichthyology (study of fish), paleontology, geology, etc”. (Alkhanishvili, N., 2012, p. 73)

“The number of tourists interested in ecotourism is comparatively low. Their findings can provide rich material for a solid branch of science and on the other hand, it may facilitate efficient planning of ecotourism development. For this very purpose the number of the volunteer tourists participating in scientific field expeditions as assisting personnel is remarkably increasing.” (Maisuradze, T, 2008, p.25)

Archival material throws light on one certain explorer among the others. This is Max Korb who “arrived in Georgia with his wife Rosine on a scientific mission in 1910. His aim is to travel to Bordjomi, Akhaltsikhe, Abastumani and the Caucasus in general and he asks His Highness Governor-General to provide them with a guide who knows these places well and also speaks German. (Fund 17, Case 6823, Leaf 30)

It should be mentioned that Abastumani district is well-known for its pure mountainous air, mild dry climate, mineral waters. The atmosphere is characterized with high clarity. Proceeding from these remarkable microclimatic benefits it was here that the very first astrophysical observatory in the USSR was built in 1932. (Georgian Soviet Encyclopedia, 1975, Volume 1, p.14). As for Bordjomi, it is one of the most popular balneological health resort which has been famed for its rich and full of diversity nature, unique mineral waters already since the first half of the 19th century. Numerous tourists were attracted to narrow ravines, sky-reaching evergreen mountains, alpine pastures, the streams gently flowing on the slopes and historical monuments. In 1862 Prince M. Romanov, the uncle of Russian Emperor Alexander Two was appointed the chief ruler of the Caucasus Region. He came to love Bordjomi district so much that he made it into his summer residence and built a palace here. (Bordomi Ravine, 2003, pp., 3,4).

Bordjomi State National Park was established in 1935 and later it was expanded as Bordjomi Kharagauli National Park. Here one can see lots of rare and endangered relict and endemic species. It is a true shelter for many species of Caucasian flora and fauna. (Metreveli, M., 2008, Tbilisi, p.162) There are many historical monuments in the vicinity of the park. “Those visitors who are keen on history and antiquity will enjoy seeing the following monuments which are located in perfect harmony with the nature. These are Timotes Ubani, Nedzvi church, Nunisi church, Sakviriko basilica, Chitakhevi Green Monastery, Gogias Tsikhe and Petres Tsikhe. (Saakashvili, N., 2011, p.40)

The scientists from Germany had a wide range of choice for their explorations. They could conduct their research in many directions, such as astrophysics, ecology, zoology, history, etc.

Among the archive documents we should pay due attention to the following. It informs us about the students’ visit from the mining high school of Ekaterinoslav in June, 1910. “This was a geological expedition consisting of 30 members led by N.I. Lebedev, a professor and A.K. Karegin, who was both an assistant and an engineer of geological mines. The document is completed with students’ list. Their itinerary was as follows: the excursionists were to set off at the beginning of June and head for Vladikavkaz. They would stay there till 3 or 5 of June. Then they would leave for Mtskheta via Georgian Military Road. It would take them seven days. On June 12 or 14 they would leave from Mtskheta for Baku by railway where they would see the oil refinery and the surrounding area. On their return they would see the sights around Tbilisi. Around June 19, they would visit Alaverdi copper factory and then move on to western Georgia. One day in Kutaisi and Tkibuli and then they would go to Batumi. On June 22 or 24 they would travel by sea first to New Athos and then to Novorossiysk and go back home to Ekaterinoslav on June 26 to 28. (Fund 17, Case 6823, Reregistration 1, Leaf 36).

The archive documents make it clear that the students from Ekaterinoslav were more interested in geological observations and explorations than in getting acquainted with historical and architectural landmarks. At first they choose to walk on Georgia’s Military Road and for seven days they have excellent chances to observe, survey and put down their findings. They learn about the properties of Baku oil and Tkibuli coal mines. “Coal mines of Tkibuli had huge industrial significance. The first information about discovering coal in Tkibuli dates back to the twenties of 19th century. As for its thorough exploration it began hundred years later.” (Geography of Georgia, 2002, p. 108)

The students were getting familiar with Batumi and New Athos on the Black Sea coast as they were major ports. From today’s perspective it seems impossible that they would not study the hollow which draws our attention both for speleological and mining-wise.

The documents which we studied clearly underline

the fact that Tbilisi Governor was to assist the students in every way. The visitors were supposed to get the maximum possible information about mining industrial plants. They used various kinds of transport, including railway and marine.

There are a lot of documents confirming the interest towards the Caucasus and its exploration. For instance, the extraordinary department of His Highness representative in the Caucasus informed Tbilisi Governor that “on June 5, 1910 Bogachov, the assistant on Department of mathematics and physics of Yureevsk Imperial University was conducting an educational tour for a group of 18 students. Their purpose was to explore Georgia’s Military road, studying its surroundings and drawing a geological map. They asked for a permission of using four hunting guns in order to make ornithological collections (ornithology-a branch of zoology that studies birds). It is obvious that they were allowed to have on them 4 hunting guns for their scientific aims. (Case 6823, leaves 86-87)

Thus the educational institutions in Russian Empire had ever growing interest towards the Caucasus. Moreover, exploration of Military Road of Georgia was especially important for them in terms of strategy.

By the beginning of the 20th century the interest rose even higher. Among the tourists who came to the Caucasus region for educational and scientific purposes, were students from Kiev St., Vladimir Imperial University. The Rector of the University sent a request to Tbilisi governor to grant them permission in written form. The archive document reads as follows: “ A group of 34 students of the University were led by the ordinator of the same University surgery faculty clinic. There is also the list of the students. (Leaf 161) Related document shows that other scientists from the same University got interested in conducting their researches in Georgia. This refers to the department of histology laboratory. A group of students did arrive in Tbilisi in December-January of 1910. Their head is Alexander G. Chernoxovski, the prosector of the laboratory. (Leaf 16)

We may assume that the prosector was pleased with the efficient scientific work done since he comes to Georgia again four months later with a group of 20 students. (Case 6823, Leaf 103) The educational tours were becoming a regular practice in the matter of exploring the Caucasus.

There are also confidential documents among the archive material. They bear a special signature stamp. One of them states in not so many words that the rector of Kiev St., Vladimir Imperial University is sending a group of 55 students to the Caucasus region, including Tbilisi. Their tour was scheduled from May 21 to September 1, in 1910. The students were from the anatomy chair. Their supervisor was the deputy prosector M. Rudetski. This educational tour was one of many of its kind from Kiev University. The visits of engineer-technologists were more frequent. (Leaf 77)

By the year of 1910 Tbilisi had received a group

of 25 students from Kiev Polytechnic Institute named after Alexander Two. They were supervised by Trophim T. Usenko, the laboratory’s engineer-technologist of the Institute. Later another group arrived to Georgia from the same Institute. This time there were 45 people headed by Boris G. Shaposhnikov. (pp. 171, 172)

The Governor’s Office documents clearly show that scientific tours to the Caucasus were not infrequent. The authorities of Borchalo district were notified by the Governor’s office that two groups of students from St. Petersburg Polytechnic Institute named after Peter the Great would arrive in Borchalo via Vladikavkaz by June 13, 1910. The groups were supervised by Professor F.I. Levinson Lessing and A. Bayakovskiy. Among the places they wanted to go, was also a factory in Alaverdi. (Leaf 44)

Almost the same time a group of 35 students from Kiev Polytechnic Institute named after Alexander Two comes to the Caucasus. The supervisor is the Institute laboratory member K. Timofeyev. (Case 6823, Leaf 61). These documents are complete with the students’ lists.

The Caucasus Region hosted scientific and educational tours from Europe as well. They had to take a special permission from His Highness Governor General. According to the circular № 1271, on May 26, 1910 a representation from Warsaw Imperial University led by Dr. G. G. Airapetian arrived in Tiflis for scientific purposes. The list of the visitors has also survived. (ibid 102)

There were many educational institutions in Moscow okrug which were attracted to geographical location and tourism resources of the Caucasus. Among them was Oryol Alexandrovski non-classical secondary school. The headmaster of the school notified Governor of Tbilisi that “25 pupils from Oryol non-classical secondary school were going on an excursion to the Caucasus to see the following places; Pyatigorsk, Kislovodsk, Esenduk, Zheleznovodk. After they would have seen these cities they would have to choose one of the two itineraries. Itinerary A meant taking Military Road of Ossetia and visiting Dargi Kokhi, Gulaki, Upper Tsea, Tibi, Utseri, Oni, Kutaisi, Batumi, Kerch, Itinerary B meant taking Military Road of Georgia and visiting Vladikavkaz, Tbilisi, Kutaisi, Sokhumi, Kerch. Head of the excursion was Andrei S. Voznesenski, the school instructor and advisor. (Case 6823, Leaf 62) A special permission was requested on the list of excursion makers. E.g. whether there were students of Jewish faith. They inquired for details of their family background.

In the same year, the permission to enter the region was granted to M. M. Milorava, the headmaster of Nizhegorod private non-classical secondary school from His Highness

Governor-General, Adjutant General, Count Vorontsov-Dashkov. “Milorava was notifying Governor General to allow a group of 25 tourists to cross the border. There are three Jews in the group. For them he was asking

for a special permission and requested that no problems hindered their work. The aim of the students was to see the sights of Tbilisi surroundings and then to leave for Batumi. (Case 6823, p. 27)

And again there was another group from Poland. The managing inspector of Sennitski Seminary from Warsaw learning district notified Governor of Tbilisi that a group of 14, those who had completed the course of the seminary would go on an excursion. (Fund 17, Case 6823, Leaf 93) Another educational establishment from Ljubliane guberniya, Warsaw learning district was New Alexandria Institute specializing in agriculture and forestry. The rector addresses Governor of Tbilisi with the request for rendering support and assistance “to the group of students supervised by teachers”. The itinerary of their tour has survived. (Fund 17, Case 6823, Leaf 106)

Foreign visitors to Georgia were especially interested in the country’s natural mineral springs and waters well-known for the healing power they had.

There are lots of mineral waters in Georgia varying in the minerals they contain. They occur both in the mountains and the valleys which makes it easier to build balneologic health resorts in many places. The healing power of these springs were already well-known in the first half of the 19th century. In the capital city of Tbilisi there are ancient sulphurous thermal springs (the most prominently old part of the city Abanotubani, meaning the district of bathhouses) that were quite by chance discovered by King Vakhtang Gorgasali while his hunting in the 5th century. It is no wonder that scientists from Moscow Imperial University show their keen interest in mineral waters in the first decade of the 20th century. “Rector of Moscow University was planning to send a group of 27 students under the supervision of Vladimir Chelintsev, the privat-dozent on a teaching-scientific tour to see and survey sulphurous and iron-containing waters.

Eager tourists used to arrive to Georgia from Yerevan Gubernya, from our closest neighbour country Armenia. The headmaster of Alexandropol commercial school wrote the following to His Highness, Governor of Tiflis: “The pupils of the seventh grade are keen on going to Tiflis on an educational tour at the end of this month”. (Case 6823, p. 156)

Georgian periodicals covered well and brought to the reader public all the news and facts about the people who pursued teaching-scientific tourism in the Caucasus.

Representatives not only from public schools but also from theological seminaries came to Georgia. For instance, a group of 15 students arrived from Nachchivan theological seminary. They saw the sights of Tbilisi and visited the museum of Literacy promoting Society. (02.06.1909, p. 2. Newspaper, ” Chveni Azri”)

There are also tourists from Germany to visit the Caucasus. They had been advised to do so by Leipzig Club.

The Office of His Imperial Highness notified Governor of Tbilisi that the embassy of Germany had sent the list of the visiting group. Their itinerary was as follows: “Odessa, Sevastopol, Yalta, Tiflis, Echmiadzin, Vladikavkaz, Moscow. The office demanded that Governor of Tiflis render all the necessary assistance to the excursion-makers. (Case 6823, Leaf 1450) The document is complete with the details about the visitors’ profession, their permanent address and age.

There is another document from the Governor-Generals Office notifying host Governors that a group of 34 people from Dantsig Botanical-Zoological Society will take an educational tour to the Crimea and the Caucasus. Head of the excursion is Lakoviev

Professor, Dr. of Sciences. The information about this very excursion can be found in contemporary Georgian press: “A group of 34 naturalists from Dantsig Botanical-Zoological Society led by Dr. Lakoviev is coming to the Caucasus. They intend to visit Batumi, Bordjomi, Tbilisi, Baku and then leave for Moscow”. (5. 06. 1910, № 53, p.3, “Cveni Gazeti”)

Dantsig is the former German name of Polish city Gdansk. (Georgian Soviet Encyclopedia, Vol., 3, p.377) The group had a very interesting itinerary. (Case 6823, Leaves 97, 98, 00).

Head of Tiflis police was in charge of the security of the travelers and he also warned his subordinate colleagues throughout the Guberniya to secure the proper progress of the excursion in order to let the visitors go back to their country with positive emotions and unforgettable impressions.

St. Petersburg had always been the educational and cultural centre of Russia. Many representatives of Georgian intelligentsia went for further education there and returned to their homeland equipped with progressive European ideas and education. It is only natural that their friends, colleagues and acquaintances in the scientific circles would get interested in visiting Georgia and seeing its sight. One of the documents informs us about the tour of 36 pupils from St. Petersburg lyceum for girls to Tbilisi. They were given accommodation for two days in the building of Tbilisi №2 lyceum for girls.” (Case 6823, Leaf 55)

Also from St. Petersburg came several groups of students taking qualification advancing courses for women. They arrived in Georgia in mid-May of 1910. They meant to visit “sites of mineral waters, Tiflis, Bordjomi, Abastumani, Kutaisi, Batumi, the Black Sea coast as far as Novorossiysk. Head of the courses asked the host authorities to provide the excursion-makers with all the conditions to ensure the success of the educational tour. (Case 6823, p. 31)

Conclusion

Thus we can sum up the following:

1. There is a huge distance of one hundred years between our present time and the chronological time of the



documents studied by us. Lots of things have changed during this one century in economic, social and political terms. Changless is the geographical location, landscape, natural resources and geo-political area of the Caucasian countries. Also the same is the multiethnic population and variety of religious denominations and last but not the least there still is a huge tourism interest in the Caucasus region.

2. From the documents dating back to the first decade of the 20th century we can state that there was a huge interest towards the sights and landmarks of the Caucasus. The leading educational institutions, colleges, universities, institutes in Russian Empire were especially enthusiastic about teaching-scientific tours. The tourists took both individual and group tours to Georgia and the Caucasus. They got familiarized with historic and cultural rarities and remarkable sights. Along with sheer tourist activities they pursued their scientific interests in many aspects.

3. It is noteworthy to mention the scientific research tours in mining and geological terms. The mountainous landscape of the Caucasus, breathtaking crossings, the Military Road of Georgia, contrasts of nature were immensely appealing to foreigners.

4. The prevailing interest among those who visit the Caucasus on educational tours is the interest in the local zoological world. That was why Max Korb, a German scientist and his wife Rosine visited Abastumani, Akhalkalaki, Bordjomi. It was interest in Zoological world of the Caucasus that drove V.P. Bankovski, a researcher from Moscow. Among the different forms of eco-tourism, scientific tourism enjoys considerable popularity. It had many advocates throughout the world. The Caucasus region and Georgia in particular with their rich and diverse flora and fauna and a number of national parks are excellent grounds for conducting educational programs and doing eco-scientific researches.

5. The educational, teaching-scientific tours to the Caucasus and Georgia which were arranged by students and their supervisors from as diverse places as Moscow, Kiev, St. Petersburg, Ekaterinoslav, Yerevan have already gained historical importance. From today's perspective it will be appropriate to hail them as teaching tours for the youth. The distinguished scholars of tourism give the following account for the essence of youthful tours: “Young people have more freedom and more flexible lifestyle. They can spend more time on traveling especially during their summer and winter vacations. The students are usually guided and supervised by their teacher/instructor or any other staff member from their educational institution. It is not infrequent that students make up groups of 3 or 5 and they embark on quite long tours both within their country and abroad. The supervisor of the students enjoys some travel allowances. (Metreveli, M. 2008, p.49)

6. The educational tours from Poland and Germany require further studying since often their visits were of confidential nature.

7. Tourists that ever came and still keep coming to the Caucasus and Georgia have always been fascinated by rich and diverse flora and fauna of the region, by countless architectural and historic monuments and landmarks. The local people's unique hospitality played a very positive role in tourism as time-tested and timeless traditions of Caucasian traditions of welcoming their guests proved truly unforgettable for visitors. Almost anybody who ever set their foot on this land was attracted by local folklore, cuisine and lifestyle traditions which vary from one district to another.

8. The Caucasus region was and still is wonderful place to visit for various tourism interests and researches. It provides excellent opportunities for those who pursue teaching-scientific, ecological, mining, cultural-cognitive, ethnographic, agro or extreme touring interests.

References

- Alkhanishvili, N. (2012). *Ecotourism*. Tbilisi. p.73
- Birzhakov, M. (2008). *The Theory of Tourism*. Tbilisi. pp. 128-129
- Bordjomi Ravine, (2003). Tbilisi. pp. 3-4
- Georgian Soviet Encyclopedia, (1975). Vol., 1, p. 14
- Georgian Soviet Encyclopedia, (1978). Vol., 3, p. 377
- Georgian Geography, (2002). Tbilisi. Tbilisi State University, Chair of Geography, p. 108
- Julakidze, N., Julakidze, E., (2009). *Tourism Management*. Kutaisi. pp.87-89
- Maisuradze, D., Khutsishvili, T., Verbetski, I. (2011). *Introduction to Tourism*. Tbilisi. p.63
- Maisuradze, D., Verbetski, I., Khutsishvili, T. (2008). *Basics of Ecotourism*. Tbilisi. p. 25
- Metreveli, M. (2008). *Tourism and Environment Protection*. Tbilisi. p. 162
- Metreveli, M. (2008). *Basics of Tourism and Hospitality*. p. 49
- National Archive of Georgia, History Department, Fund 17, Reregistration 1, Case 1, Leaves 24, 30, 36, 85, 86-87, 161, 160, 103, 77, 171, 44, 61, 102, 62, 2, 106, 93, 106, 79, 156, 145, 97, 98, 100, 55, 31.
- Saakashvili, N., Chilindarashvili, T. (2011). *Georgia-land of Tourism and Health Resorts*, Tbilisi. p. 40
- (1909, June 2) # 27, Newspaper “Chveni Azri”, p. 2
- (1909, June 5) # 53, Newspaper “Chveni Gazeti”, p. 3

Tourism Security and providing of defence of insuring

David Vaja TCHIOTASHVILI

tchiotashvili@gmail.com
PhD in Economics, Professor
Gori University
Georgia

Abstract

The tourism industry is one of the most rapidly growing industries. Nowadays, tourism plays a major role in the global economics and its meaning is vital for many countries. The safety of tourists and their insurers are increasingly expanding the geographic scope of developing of tourism. Gradually, it is becoming increasingly clear, and the issue is not only with regard to health insurance, but more important, if the minor nuances that are related to tourism, sightseeing, and work, and visits to non-citizens from moving their domicile. Almost every country takes care of the safety of tourists in local and international organizations, but it is possible to protect the insurance variety of insurance risks, which may appear before any tourist or traveler.

Keywords: Tourism insurance, Insurance for traveling, Tourists insurance, Insurance defense of tourists, Problems in tourism insurance sphere

Introduction

Tourism industry is one of the most increasing industries. Nowadays exactly tourism plays the greatest role in World Economics. It has a vital meaning for many countries and it remains as a most important source for creation of working places and straight or oblique source of employ. Exactly that income from foreign tourists creates various opportunities for development at these countries. The demand on international tourism (unwto) overacted its expectation. According to the data number of international tourists is nearly a billion, but amount of money spent by them reaches a trillion us dollars.

Tourists security provides defense guarantee and is widening along with the expansion of the geographic area. Gradually this task becomes more and more important, including not only the medical insurance but also other important or less important small things. Which one are connected with tourism, excursions, visits for work and during the movement of citizens from their residences. Insurances every important aspect in planning a travel. A foreign tourist more often incurs an unpleasant influence of risky facts than a native of this country, because tourism industry is predicted on many components. These are: transportation, accommodations, various attractions, means of entertainment, interesting and risky adventures. So a tourist should be sure that his/her insurance police is wholly covering all necessary medical treatment as it is especially

expensive in many countries (for example, in the United States of America, the treatment of serious illnesses often overacts a millions of dollars) [Wikipedia].

The size of tariff of traveling insurance is supervanased, from such factors as tourists age ,profession, occupation, even the kind of tourism, the country where a tourist is arriving and so on. On the other hand insurance bonuses supervened by the insurance sum , which is enough little comparatively to the obligations which the insurance company takes on its own.

1. Main issues and problems of insuring for tourists and travelers.

The first and main problem is in the health worsening for tourists and travelers in avoiding from risks caused by accidents, It means necessary and urgent medical health during the whole period of traveling and which is realized under the conditions, described in the insurance police and is agreed beforehand between an insurer, insured and insurable.

It is very important for insured to consider every detail of traveling insurance and to fashion the insurance occasions in mind to define what to do and how and in what order to make the following steps, in case to avoid the real problems, where and to how he should call, what language to speak, what to say and what questions to ask, what part

of insured sum is subordinated to what concret insured occasion.(from catching the flue up to the serious illness).

The medical insurance (assistance) for Tourists and travelers includes all the important nuances tourists need in insurance services. Emergency medical services, hospital outpatient and in-patient services for them; medical - diagnostic examinations and the provision of medicines and other drugs. Also, upon a lethal outcome for their repatriation to their place of residence.

According to the health risks, there are other additional risks tourists and travelers are often faced. Baggage and property loss caused by theft, robbery, or tourism that, service staff's irresponsible attitude, group of lag, or travel delay or a loss of personal, or business documents (especially in business and business meetings and before negotiations), bad weather (for tourists, vacationers, who are scheduled to take off in bad weather prevented), financial risks, and other various personal occasions. These risks seriously damage tourists and more effective measures are needed to ensure that risks from travelers Insurance. In the circumstances it should be taken into consideration when insurance companies refuse to pay for the damage. This happens when the insurance case occurs insured unlawful and illegal actions as a result of chronic, mental and venereal diseases and drug and alcoholic addictions result terrorism, military action, and participation in strikes and others. Gradually it becomes a clear agenda and there is a need for an international insurance policy, under which it will be possible to receive qualified medical care anywhere in the world. These services can be implemented and international insurance companies insurance service (Assistance) by which medical services will be provided with professional legal services and protection.

Europe and especially Western Europe (Schengen area) and the United States and their cities (now also China) Still maintains a leadership role in the field of tourism, and it is noteworthy that according to the rules of almost any of these countries will not issue visas to travel insurance. Given that the risk is too great for tourist traveling to the countries of their travel insurance policy, throughout the period of the trip, and it should be noted that the limit of the insurance policy shall be no less than 50 thousand U.S. dollars. (In rare cases, this amount may be 30 thousand U.S. dollars), but there are some countries . not put on the agenda of the request. This is due to the level of development of these countries and the fact that they are unable to secure adequate medical insurance for tourists, or other services at any time and place. Here, it should be noted that the insurance risks of tourists, who will have to pay for themselves. It should be noted that the principle of voluntariness is almost excluded from tourists and travelers insurance and many countries depend on tourists have to think about the insurance, because some countries are moving towards the introduction of the mandatory travel insurance. [Marinin M.M. Tourism formalities and safety in tourism. M. Finansis and Statistics.2008].

Tourists and travelers should have a moral responsibility to protect not only themselves, but also to care for the population as a country, which is reflected in the Civic, the owner, if the types of insurance carrier's liability. Also, if auto - moto transport tourists travels, the owner's liability, which in turn provides auto insurance to cover any insurance risks after the harvest. The classic example of a «green card,» which is a system of international countries whose territory the mandatory insurance in the face. If it is not, it may be a voluntary insurance contract, the insurance provision. However, these types of insurance are less popular, because there is no demand because of lack of information, as well as insurance law, and, most importantly due to distrust of the travel companies and insurance companies. Travel and insurance companies are primarily focused on the health and financial risks.

Another important problem is the tour operators liability, almost no attention is paid to it today. There are a lot of tourists staying at airports, as well as deferred air charter flights, which should be provided by a travel firm. Here is the agenda of the airlines liability insurance issues facing operators. For solving this problem, a number of foreign developed countries (Germany, Switzerland, Czech Republic), insurance associations, government decree created by tour operators and travel firms specialized professional liability insurance funds. In the UK, the Association of English operators will receive only the most reputable firms in the composition of bank guarantee of EUR 50 thousand.

Conclusion

Almost every country takes care of the safety of tourists and local and international organizations. State intervention in the tourism industry is a major reason for its citizens and the general welfare of the whole country. It covers areas such as: economic stability, protection of natural resources, national security, health care and employment. Tourism impacts on different doses on each of them. The aim is to have the maximum benefit to be achieved and should be clearly defined by the state insurance protection and insurance for tourists. In fact, every state has the authority, which is responsible for the country's tourism development and tourism field. This may be a branch of the Ministry, or any special organization or department. by its private legal status. Basically, this service is designed to create the preconditions for the development of their country and the world market as a destination for tourists present. In Georgia, the Department of Tourism and Resorts, Ministry of Economic Development and their purpose and objectives of the national image promotion and promotion of tourism across the world. Implemented variety of projects aimed at the different layers of society in the interests of domestic tourism and the corresponding insurance provision also is needed.

If you look at the insurance market of the data, statistics are the following: in 2011, the number of travel insurance policies designed to cover - 181937, totally Written

premium - 2980746, paid claims - 495855. The total share of the insurance market - 0.93%. 6 months of 2012, according to the results of similar data is as follows: number of travel insurance policies designed to cover - 105757, -1898468 fully Written premium, paid claims - 144961. The total share of the insurance market - 0.81%. [Www.nbg.gov.ge].

Based on these data, we can conclude that growth has been observed, but not so great pace, and the travel insurance market share significantly stays behind Insurance Other species share of the insurance market, which is due to the low purchasing power of travel and tourism sector. The problem of the low insurance culture and distrust of insurance companies, in which the active role of the state should be.

References

Marinin M.M. Turizm formalities and safety in turism. M. Finansis and Statistics.2008.

Wikipedia.

www.nbg.gov.ge

Action Plan for Tourism Development in Imereti Region

Lali GIGAURI
lali.gigauri@ibsu.edu.ge
International Black Sea University
Georgia

Eka DEVIDZE
catrinade@inbox.ru
International Black Sea University
Georgia

Abstract

Tourism is closely related to the economic and social life of various sectors: productivity, transportation, construction, trade and to other services, which it supports and from which as well, it gets assistance. Tourism creates new jobs, supports to planning and development of new business ideas, improves population lifestyle, maintains unique character of the region, promotes awareness. According to the Tourism 2020 Vision (the World Tourism Organization's long-term forecast and assessment of the development of tourism up to the first 20 years of the new millennium), tourism is one of the driving sectors of the economy in the future. Mainly, tourism development strategy is based on the principles of sustainable development of tourism in the world and gives a clear priority to the stimulation of a market demand.

Keywords: Tourism, Tourism Development Plan, Action Plan for regions

1. Key Advantages for tourism development in Georgia (Regions)

Tourism can be an important source of income, jobs and tax revenue, it is a labor-intensive industry. Tourism can stimulate other economic sectors such as arts and agriculture by providing direct markets for local goods and services made available to the visitors in the community. Tourism has a multiplier effect. Money spent by a visitor that remains in the community is spent again and again by community residents, thus magnifying the economic effect. Tourism can serve as an important rationale for conserving natural and cultural heritage resources. It can help maintain and rejuvenate cultural heritage in an area by emphasizing and preserving those resources as a visitor attraction. Tourism development can help provide recreational and cultural opportunities for community residents. A well-designed tourism development plan will definitely add to the quality of life of citizens on regional level.

State Strategy on Regional Development of Georgia for 2010-2017 - the medium term document which determines the main principles, objectives and tasks of the regional development policy of Georgia and defines favourable conditions for sustainable development of country (State allowance)

State policy to ensure the development of agriculture, tourism and environmental protection. **Mission of Georgian National Tourism Agency:** As the implementing

agency in of state policy in tourism is to increase awareness about Georgia as the tourist country in the global market, stimulate development of inward-bound and domestic tourism industry, facilitate creation of friendly environment for tourism related business, boosts competitiveness of the country in the international tourism market.

Activities of tourism information centers: The goals of Georgian tourism association: effective cooperation among Georgian tourism companies, coordination between private and state sector, quality orientation in tourism sector, accessibility of tourism information and sustainable development of tourism in Georgia.

Trainings planned to improve customer service in highland areas: Kazbegi, Tusheti, Svaneti, Telavi and close cooperation with the Ministry of Education that is now developing the unified framework program for vocational schools. Priority areas have already been defined and comprise: Adjara, Samtskhe-Javakheti, and Imereti.

Normative and International acts.

Municipality projects oriented on tourism development issues in communities and etc.

2. Problems of Imereti Region in Tourism Sphere

Existing factual problems in tourism in Imereti region may be well described in SWOT analyze. components

of the SWOT analyze give the good capability to realize strengths and weaknesses, possibilities and threats met while tourism development in the region (See the tables 1 and 2).

Table 1 SWOT analyze

Strengths	Weaknesses
<ul style="list-style-type: none"> •Geographic location and mild climate, picturesque nature •Historical, architectural, cultural and archeological monuments •Eparchies, Churches, Monasteries, Castles, (Synagogues) •Resorts (balneology and spa) •Museums •Protected Areas (represented in categories) •Government support (new initiatives, investments), state policy of tourism development •Hydro resources (water supply) •Forest and Land Resources •Literature, Folklore, Traditions •Kitchen (food), culture itself, population •Ecologically clean/pure agricultural products •Archaeological Sites, architectural and administrative buildings 	<ul style="list-style-type: none"> •Informational vacuum (concerning regions/community) •The language barrier •Lack of transport facilities (in villages, regions) •Low level of service (on a regional level) •Lack of professional staff (mostly in regions) •Having no regional tourism development short or long term strategy •Less investments in some regions or districts •Lack of exact records about incoming visitors (arrivals/departures) in regions/villages, •Lack of accommodation in communities •Weak management on a regional level •Non rational use of tourism potential •Lack of services for persons with disabilities The impact of demographic processes (population aging, migration, low educational level, informational vacuum mostly in communities , etc.) Lack of new technologies, no functioning of scientific - research or experimental labs in communities

Source: <http://www.press.tsu.ge/GEO/internet/disertaciebi/Devidze%20E.pdf>

Table 2. SWOT Analyze

Opportunities	Threats
<ul style="list-style-type: none"> • Tourism target objects' research and study facilities •Improvement of infrastructure in communities/districts •Appointing the meetings of tourism policy makers and experts, opening round table meetings, debates and prioritizing the problems in communities. • Recognition of new tourist attractions, new destinations country wide • Classification of objects of cultural heritage • Attracting investments •Mobilization and involvement of local people in tourism infrastructure rehabilitation processes •Offering diverse tourism products and service improvement • Tourism revenues derived from the proper use • Offering vocational education and trainings within communities. • Possibility of having statistics about tourism flows (arrivals/departures) in regions/communities .Strengthening the functioning of small and medium enterprises .The use of the potential of agriculture and agro-industrial sectors. .To develop short or long-term tourism development strategy for communities. 	<ul style="list-style-type: none"> •Political tension • Instability in the country •Cancellation of status of protected areas •Failure not to maintain tourism destinations •Insufficient investments •Informational vacuum in communities •The passive attitude of local population and less interest •Migration process in communities •Lack of tourist accommodation facilities •Lack of professional staff •Language barriers •No cooperation among state and private sectors •Weak management •The negative opinions about the safety of travel in Georgia •Low level of service

Source: <http://www.press.tsu.ge/GEO/internet/disertaciebi/Devidze%20E.pdf>

On the bases of **SWOT analysis, PESTLE and SMART analyses** are presented in tables 3 and 4. Here, the tourism development problems and further consideration circumstances of Imereti region are discussed according to political, economic, social, technological, legal and environmental factors and specific, measurement, achievement, relevant and time-limited analysis of the components are given as well (See tables3/4)

Table 3. PETSLE Analyze

Analyze components	Results and foreseeing circumstances
Political	<p>Current Situation: State policy growing interest towards regional economic development, liberal law, stable condition, beneficial environment for tourism business development in the region.</p> <p>Measures: Further development of regional development policy, increasing awareness of the region in the international tourism market, to stimulate incoming and domestic tourism development, and to increase the competitiveness, to promote the image and popularization of the region or districts.</p>
Economic	<p>Current situation: Stable situation and economic growth in the region, after the war calamity and subsequent crisis, inflation and exchange rate stability, the multitude of projects, investment growth, the creation of employment opportunities in the tourism sector on a regional level.</p> <p>Measures: Much support to region's economic development through the following activities: infrastructure development, fund-raising, investment opportunities, raise the competitiveness of regional tour products on global tourism market, support to growth and preparation of training for trainers, professional workshops and raising the level of education, awareness of local residents.</p>
Social	<p>Current Situation: Low conditions of tourism infrastructure, informational vacuum, population (local residents, especially young people) migration to big cities or capital, high level of unemployment in districts/villages, lack or low level of tourism service are fixed in municipalities.</p> <p>Measures: the state's effort to allocate additional funds for Social Infrastructure Development in the region, elimination procedures against migration, employment opportunities and opening the new possibilities for residents.</p>

Technological	<p>Current Situation: On Regional/local level, there is fixed a low access to modern technologies, which will absorb the impact on production efficiency, lack of communication, no internet access and etc.</p> <p>Measures: Opening possibilities for new technologies, orientation on market, and offering and realization of tourism products according to market demand.</p>
Legal	<p>Current Situation: There exists self-regulatory legislation in the country, though there is not given separate regulatory framework for regional development of the region in the law, regional and local.</p> <p>legislation is relatively scarce, there are many other changes in other legislation, which affects the stability of policy planning.</p> <p>Measures: To establish a clear division of responsibilities among state departments, to provide a legal framework for local and regional economic development</p>
Environmental	<p>Current Situation: No Availability of technology to reduce pollution in ecotourism, poor management of protected areas in regions, no conventions about Biological Diversity and the lack of regulations and etc.</p> <p>Measures: Improvement of quality of eco tourism service, forming regional and local forest policy and forestry management, evaluation of local natural resources and etc.</p>

Source: <http://www.press.tsu.ge/GEO/internet/disertaciebi/Devidze%20E.pdf>

Table 4. SMART Analyze

Components of Analyses	Results and foreseeing circumstances
<p>Specific</p>	<p>General Description: Imereti Region consists of separate administrative units/municipalities, each municipality has specific tourism resources, that is geographical location, climate, number of resorts and resort areas, the categories of protected areas (strict nature reserves, natural monuments/caves/canyons, national parks, grottos), culture, arts, folklore, traditions.</p> <p>Circumstances: While preparation the Strategic/action Plan for separate districts or municipalities the following factors must be taken into consideration:</p> <ul style="list-style-type: none"> • Ensure consistency untapped tourist potential • Using Historical, cultural and religious heritage of the region in order to attract more tourists • Public recognition/awareness of regional / district, villages and localities, the promotion of appropriate resources • Right strategy formation for tourism destinations <p>Community involvement and encouraging activities</p>
<p>Measurable</p>	<p>General description: The criteria to be used for short-or long-term regional economic development strategy must be measurable. Without considering this component can not be considered and evaluated the success of any reforms.</p> <p>Circumstances:</p> <ul style="list-style-type: none"> • Measurable actions must be planned and their evaluation may be available with certain criteria; • Assessments procedures must take place while interim period, in order to avoid and improve barrages met • Monitoring of the activities
<p>Attainable</p>	<p>General Description: Aims, which promote the implementation of tourism and economic development strategy in the region should be achievable, results-oriented.</p> <p>Circumstances:</p> <ul style="list-style-type: none"> • The results of the activities of Regional and local self-governments should be achievable. • In order to achieve the objectives, the duties must be shared appropriately on the responsible persons or agencies in order to show commitment and responsibility of each level (including the failure of individual components).
<p>Relevant</p>	<p>General Description: Economic development activities on regional and local level should be appropriate to the target (relevant).</p> <p>Circumstances:</p> <ul style="list-style-type: none"> • Objectives of the strategy should be based on the goals • Measures should be in accordance with the related action plan • All actions are reason - cause and effect connections should be find out
<p>Time-bound</p>	<p>General Description: Economic development plan of the region is time bounded, it must be implemented in a given period and must start a new stage. Periodically evaluation will take place.</p> <p>Circumstances:</p> <ul style="list-style-type: none"> • Local and regional development plan must have specific period of time, and must be implemented in the given period • Plan for short periods should be divided into calendar time (year and the quarters at least), so that a number of activities can be carried out exactly in time.

Source: <http://www.press.tsu.ge/GEO/internet/disertaciebi/Devidze%20E.pdf>

3. Activities for Implementation:

Tourism Product Development Goal 1:

Enhance the quality of existing products to increase their market appeal and capture rate. The ability of Imereti region to further develop its tourism sector is directly related to the quality of tourism products and experiences it can offer. Existing tourism product is limited both in quantity and quality. The first goal of the Tourism Development Strategy is to work with existing operators in the priority segments (sports, fishing, culture & heritage, festivals & events) to enhance the scope and quality of their product offering.

The following strategies are directed towards the realization of Goal 1.

1.1 From the existing tourism product inventory, identify priority products – market-ready products, or those with potential to become market ready, that fit within the identified priority markets of sports fishing, culture, heritage, festivals & events.

1.2. Working with the selected operators, develop product enhancement strategies to improve market ready status and market appeal. Opportunities for consideration include coordinating the efforts of local museums and archives to provide more cost effective, focused, professional activities through exploring joint and coordinated displays, exhibits, activities, staffing, funding and marketing (e.g. one brochure for all, a combined ticket price, etc.)

1.3. Provide economic incentives to community groups and others interested in development festivals and events; provide facilities for operators interested in offering visitor services such as bicycle rentals, enhance visitor information services such as literature distribution and etc.

1.4. Identify the funding and other resources required to implement the product enhancement strategies, and what will be required to secure such funding and resources.

Goal 2: Develop new, market ready tourism product targeted to the priority

The second goal of the Tourism Development Strategy is to work with existing operators and other stakeholders in the priority segments (sports fishing, culture & heritage, festivals & events) to expand the number of tourism products available. This will provide greater opportunity for touring, extend the length of stay for existing visitors, and help to create the critical mass required to be a successful tourism destination.

The following strategies are directed towards the realization of Goal 2.

2.1 Identify product development opportunities

from amongst the existing priority market segments, as well as opportunities in emerging or niche markets such as agro-tourism and eco-tourism.

2.2 Identify potential developing partners from amongst current tourism stakeholders and other related stakeholder groups (e.g. cultural and heritage societies, community service organizations).

2.3 Working with the selected development partners and stakeholders, prepare product development strategies for new market ready tourism products.

2.4 Identify the funding and other resources required to implement the product development strategies, and what will be required to secure such funding and resources.

Goal 3: Increase market draw and length of stay through new tourism packages

While tourism “product” is often thought of in terms of attractions or events, the packaging of existing tourism experiences is another form of product development. The third goal of the Tourism Development Strategy relates to the creation of critical mass and clusters of complementary attractions to expand the opportunity for touring itineraries, attract new visitors and extend the length of stay for existing visitors.

The following strategies are directed towards the realization of Goal 3.

3.1 Working with operators in the priority market segments (including where appropriate, operators from neighboring communities), as well as complementary service providers (accommodation, retail, dining, transportation), develop product clusters, product itineraries and product packages.

3.2 Identify the funding and other resources required to implement the product development strategies, and what will be required to secure such funding and resources.

4. Tourism as the Peace and well-being Ambassador

Tourism Development on a regional level -Tourism potential should be researched and studied in order to be able to create complete database of tourism resources for tourism development in communities. That will guarantee the improvement of economic conditions in all regions of countrywide, in order to use potential touristic resources of regions, it is appropriate to establish new projects and to popularize sites which will increase the flows of local and foreign tourists and that will foster the involvement of the local community representatives in tourism business. Tourism destinations, direct or indirect points, objects or sites (guest houses, farms, food objects, wine pitchers (Marani), less known historic and natural monuments and other tourism resources) must be fixed, managed, well represented and promoted. Tourism professional trainings for target beneficiaries must be organized in regions,

regional tourism informational directory must be prepared and disseminated, the maps of tourism routes through using tourism Geo-informational technologies together with accurate textual and visual information must be worked out.

Municipality Executive members, tourism direction sector representatives, heads of regional travel agencies should arrange round table meetings, share their experience, discuss prioritized problems raised in communities, search ways for solutions, develop joint community projects, be in close cooperation and provide recommendations for the further development. It is necessary to develop appropriate mechanisms for tourism diversification and development of domestic tourism, which will facilitate the development of different kinds of tourism in the country, including: cultural tourism (history, architecture, art, crafts, religious tours); resorts (sea, mountain - ski resorts and others), eco tourism; adventure tourism; agro-tourism, among them - the local cuisine and wine tours; medical tourism professional and business tourism; sports tourism, mountaineering, romantic and folklore tours, and etc.(Devidze, 2012)

Short and long term strategic regional development projects must be worked out separately for every district/ community, including detailed feasibility studies and analyses. Elements of these projects may include:

Cluster Development in tourism sectors – such projects may include market potential research, product concept and market positioning, financial and human capital requirements, marketing plan development, training of cluster participants, financial planning and forecasting, cluster and individual business implementation planning.

Tourism market research - primary and secondary research into the tourism market in geographic areas, including demand and supply analysis, geographic distribution and seasonality analysis, market potential and gap analyze.

Agro and ecotourism (others) products' concept development - develop the concept of proposed tourism products to unlock the potential of the underlying natural assets, and meet the requirements of the target markets. The overall development concept also includes conceptualization of the specific attractions and activities offered to visitors

Financial scenario planning and analysis - develop the detailed financial scenarios and forecasts for the implementation of the development plan and operation of the business.

Fund-raising procedures (Attracting investors and investments in regional tourism development.

Socio-economic and triple-bottom-line analysis - analysis of the socio-economic and triple-bottom-line impacts using input-output multiplier models including satellite account, to determine the direct, indirect and induced economic impact of activities, and the direct and indirect employment.

Spatial analysis and spatial-based strategies - analysis of the spatial distribution of agro, eco tourism and other tourism products, features and attractions, identification of clusters and themes, and formulation of appropriate development strategies to achieve spatial objectives for placement and distribution of tourism.

Legal and institutional framework - analysis of the legal and institutional environment and definition of appropriate legal and institutional models and frameworks.

Overall project management - detailed project and task planning, management of cross-functional and multi-disciplinary project teams to achieve defined project objectives, and provide ongoing project strategic direction.

Project financial management and control - overall management and control of project budget, finances, invoicing, and final account reconciliation.

Project reporting - reporting on project progress, interim and final report development and production, and quality control.

References

- Devidze E. Cultural Heritage and Tourism Development Problems in Imereti, thesis, 2012, <http://www.nplg.gov.ge/dlibrary/collect/0002/000609/Devidze%20E.pdf>
- Strategic Plan of Tourism Development <http://kutaisi.gov.ge/kutaisi-tourism/tourism-development-strategy/>

Churches and Monasteries as Prerequisites for Religious Tourism Development in Imereti Region

Maka BUGHULASHVILI

bughulashvili@ibs.u.edu.ge
International Black Sea University
Georgia

Eka DEVIDZE

catrinade@inbox.ru
International Black Sea University
Georgia

Abstract

Religious tourism or traveling for religious reasons is popular all over the world, Georgia is neither an exception. Religious tourism is an integral part of modern tourism industry. Churches, temples, mosques, religious sites and their history are those motivations, for which relevant countries or regions are visited, especially the special trips are arranged by pilgrims. Cultural buildings are represented as tourist sites, which are protected as cultural heritage. For example, in France, 60% of monuments are protected and these sites at the same time are considered as tourists' sites. The interest towards religious tourism is the natural phenomenon for Georgia. It as the travelling country is the certain interest for Christians. Besides, Georgians, themselves have great interest towards world Christian centers, which is shown in believers while visiting Jerusalem and Bethlehem. These events gave rise to the old Georgian Orthodox tradition known as pilgrimage. Historically, there was a tradition to visit the holy places to pray, that were/are presented in great number of literary works. According to same purposes the Jews living in Georgia and representatives of other nations were travelling to their historical motherland.

Keywords: Pilgrimage, Pilgrim, Religious tourism, Religious tour

Introduction

An increasingly important segment of cultural tourism relates to ‘faith travel’, tourism motivated by religious or spiritual reasons or associated with religious heritage sites. Previously a largely domestic phenomenon, religious tourism has turned into a major international commercial service. Travel agencies offer extensive multifaith journey packages to ancient places of worship, sacred destinations and pilgrimage sites associated with the mainstream faiths.

In November 2010, the World Religious Travel Association (WRTA) held the first global trade and educational conference aimed at the 300 million potential faith travellers, with exhibitors from more than 30 countries drawn from ecumenical communities and travel agencies. Globalization has opened up religious tourism to commercialization, transforming it into a marketable economic product serving overlapping markets: spirituality, physical and mental health, leisure activities, culture, short stays and city breaks.

Given its considerable demographic base, this form of tourism holds enormous potential for fostering interfaith and intercultural dialogue if it is harnessed. Indeed, if correctly conceived, tourism can be a tremendous development tool and an effective means of preserving and promoting cultural diversity. Part and parcel of this process is ensuring that such tourism remains sustainable, which means that it deals effectively with issues related to environmental, social and

cultural conservation and preservation of local areas.

With regard to pilgrimage sites and destinations, sustainability entails taking steps to equip and maintain — often ancient — monuments that must be protected and restored, as well as providing environmental protection for natural sites using access ways and traffic corridors in order to prevent congestion and not exceed load capacities.

Massive Religious Tourism Destinations

According to The World Tourism Organization estimation from 922 million international tourists (2010) about 330 million were travelling for pilgrim and religious purposes, the majority of them were Christians, Muslims and followers of Buddhism. From the world's most popular tourist centers Tokyo (Japan) is visited by more than 30 million pilgrims annually, Vatican City by 18 million, Paris (France) by 13 million, Western mountainous region of India by 10 million, Jerusalem (Israel) by 1.5 million. The world's most massive religious tourism *Haj Pilgrimage* is held annually in Mecca and Medina (Saudi Arabia). Destination places are often the oldest sightseings which bear mysterious history, for example, *Machu – Pichu in Peru*, Christian sites *Black Madonna (Black Madonna) in Poland and Roslini Chapel (Scotland)*, *Pyramids in Egypt*, *Stonehenge in England* and etc.

Physical-Geographical location of religious Georgia, since the establishment of the Georgian state has

been the great interest for foreigners, the classical example of this is the myth of the Argonauts. Imereti region (Western Georgia) is represented by more than 250 historical-cultural monuments covering many miraculous places and legends. Below, for illustration we will bring main religious sites:

Gelati Monastery dates back from 1106, when the first church and religious academy was constructed by King David the Builder, whose aim was to create a place of worship, study and knowledge second only to Jerusalem. And although this has not happened, the only original building still standing is the academy. The rest of the buildings, including the cathedral, date from King Bagrati III, who reconstructed the complex after the Ottoman destruction in 1510. The Soviets cast out the monks and closed the churches in 1922. In 1988, the churches were re-sanctified and links with the past restored. Many Georgian rulers are buried here, including David the Builder himself, Queen Tamara and Bagrat III. At his express wish, King David the Builder is buried under the stone of the southern gatehouse, which was then the main entrance to the complex, meaning that all who came here would step on his tomb. In 1994, Gelati Monastery was recognized by UNESCO as a World Heritage Site. The site was included in the 2008 World Monuments Watch List of 100 Most Endangered Sites by the World Monuments Fund to draw attention to deterioration caused by prolonged neglect.

Bagrati cathedral is the symbol of Kutaisi. The cathedral was built in the 11th century by King Bagrati III, and its current ruined form dates back from 1692 when an "Ottoman explosion" caused the collapse of the cupola and ceiling. The "work" was completed on the occasion of the bombardments in 1769 by the King Solomon I of Imereti and the Russian Army. The cathedral was never completely reconstructed, but this is exactly what makes it more impressive. Conservation and restoration works begun 1952, are still underway. In 1994, the Bagrati Cathedral, together with the Gelati Monastery, have been included in the UNESCO list of World Heritage Site. In 2001, the cathedral was restored to the Georgian Orthodox Church, and it is now used for worship services.

Motsameta monastery is 6 km north-east of central Kutaisi. The monastery itself has nothing special in terms of architecture, size or richness of decorations. But one does not need any of these to approach a serene state of mind of religious type, as it is the area around it which worth everything. The monastery is built on a promontorium with wonderful views over the gorge and the river below (Devidze, 2012).

The religious factor had always been playing a greater role in all epoch in public and political life of Georgia. It is multi national, as well as multi confession country. A lot of nations lived here in ancient times, who confessed their faith. Many of the religious confessions in Georgia take place from the far roots. Judaism is connected to the Jewish settlement in Georgia. Armenian - Gregorian Church

is connected to the existence of the Armenian population. Islam with Arab dominance and the life of people under this religion, Catholicism with Catholic missionaries and the interest of Europe towards Georgia. Imereti region itself covers the following nations - 689 924 Georgians, 388 Abkhazians, 639 Ossetians, 1 890 Armenians, 4, 924 Russians, 274 Azerbaijanis, 242 Greeks, 636 Ukrainians, 56 Jesuit. It should be noted that the communist-era restrictions arose lots of negative consequences. People absolutely had no belief. Nowadays, situation is changed, liturgy (prayer, ritual) is performed in every church without any restrictions and moreover, representatives of different confessions greatly respect each other's faith and their religious holidays.

Religious tourism has existed since antiquity, and unlike commercial tourism, is not done for exclusively hedonistic purposes. A study in 2011 found that pilgrims visited Jerusalem for a few reasons: to understand and appreciate their religion through a tangible experience, to feel secure about their religious beliefs, and to connect personally to the holy city. There are many holy places and mysterious legends, myths in Imereti as well, which may become the interest sphere for the believers or pilgrims, therefore we do consider that adequate measures ought to be taken in order for the proper propaganda.

The Church is going to cooperate closely with the Department of Tourism. The Patriarchate and the tourism department signed the agreement, according to which the development of religious tourism is planned. There are certain points on which they agreed. The project will ensure the exchange of information and data, pilgrimages travel routes will be set, video and audio materials will be prepared as well. The project includes international trips, study tours for people living abroad, and establishment of tourism information centers near monasteries.

Conclusion

Pilgrimage bases and motivations in Georgian reality, may be thus sorted out:

- Believers demand is to partake holy places, holy places have useful and positive effect on believers. Besides, there is always a strong desire among believers to see the most important religious sites.
- Believers have a demand on spiritual perfection, therefore, thousands of people regardless of age, get a relief while visiting holy shrines, aura of holy places enable people to get closer to God and enrich spirituality.
- Sacred chapels and religious life give answers to the most difficult issues. There were numerous cases of human drug abuse and other sins release.
- Believers strive to honor holy places and sacred parts, this is the best way to turn from bad life to the real life of kindness, love, which gives the power to a person to



overcome all the barrages met in the life, struggle for the better world and endure social poverty.

While offering religious tours, it is desirable to be foreseen the aspirations of potential tourists and demands provided according to their needs, to continue preserving historical and religious sites and support it morally and financially for its role in revitalizing the tourist operation. It is required from the Ministry of tourism and Antiquities and affiliate institutions to provide advertising programs on historical and religious sites plus to market it publically at home and abroad, to sponsor religious activities and festivals, and tourism programs and its diversity, to enact legislation and security measures by the Government and relevant actors with regard to tourism, to study and set future planning policies for stimulating tourism processes.

References

- Devidze E. Cultural Heritage and Tourism Development Problems in Imereti, thesis, 2012, <http://www.nplg.gov.ge/dlibrary/collect/0002/000609/Devidze%20E.pdf>
- Historical Monuments of Georgia <http://dzegebi.com/view.php?id=90>

Churches and Monasteries as Prerequisites for Religious Tourism Development in Imereti Region

Tinatin KUBLASHVILI

tinatin.kublashvili@ibsu.edu.ge

Assoc. Prof. Dr.

International Black Sea University

Georgia

Abstract

Educational tourism is the segment which works in order to meet the growing demands of the market, to increase student and staff mobility as a key tool for personal development, to enrich the learning and research experience, to improve knowledge transfer, through active participation in multilateral projects, thematic networks, joint degrees and initiatives at regional and international level.

Besides, educational tourism allows students to improve their personal skills and to increase their employability. By creating opportunities and improving the quality of mobility universities offer a unique platform for students to contribute to the shaping of Europe's future.

Nowadays when all doors are open and the mental readiness of academic staff as well as students is on its top of development, there exists the man-made difficulties, barriers that hinder the process of mobility and accordingly the development of educational tourism.

The article focuses on searching the ways directed at increasing and simplifying the procedures of international student mobility..

«Mobility of staff, students and graduates is one of the core elements of the Bologna Process, creating opportunities for personal growth, developing international cooperation between individuals and institutions, enhancing the quality of higher education and research, and giving substance to the European dimension». *Ministers responsible for Higher Education in the countries participating in the Bologna Process, London Communiqué, May 2007*

In this article we consider mobility as equal definition given to one of the branches of Tourism - Educational tourism.

Educational tourism is the segment which works in order to meet the growing demands of the market, to increase student and staff mobility as a key tool for personal development, to enrich the learning and research experience, to improve knowledge transfer, through active participation in multilateral projects, thematic networks, joint degrees and initiatives at regional and international level.

Besides, educational tourism allows students to improve their personal skills and to increase their employability. By creating opportunities and improving the quality of mobility universities offer a unique platform for students to contribute to the shaping of Europe's future.

Mobility which is so often and widely discussed is the key to individual development and it also has a profound influence on the changes taking place in higher education.

It influences not only individuals, but also study programs, research, social, cultural and linguistic aspects of education and economy. Without international cooperation, which in the XXI century means also both virtual and “traditional” mobility, a university cannot aspire to be an active and important actor in the European higher education and research area.

In recent decades, the number of students studying abroad has risen dramatically, and more generally the higher education sector has become much more international. For example, in OECD countries the number of foreign students doubled between 1980 and 2001. More recent data shows that this trend of internationalization is still in process;

These findings suggest that mobility decisions during university have long-run effects on the careers and labor-market outcomes of individuals. In particular, mobility during the course of the studies increases international mobility in the labor market. This is interrelated with the process of increasing the level of educational quality that must be considered as a part of the package of government education policies if the goal is to achieve higher economic level which, in turn, is followed by an increased average education level, higher level of employment and earnings, more productivity and competitiveness that finally leads to a greater economic growth of the country.

Georgia traditionally has been a bridge connecting

the West and the East. Through history the trade roads linking the different areas crossed the Georgian territory carrying the diverse cultural tradition.

Education traditions in Georgia trace their roots back to the Early Middle Ages, when education centers called academies and seminaries played important role in educating youth and providing people with scholarly works, mainly of philosophical, religious and literary character.

In XI-XII cc. it was widespread in Georgia to send talented young men to Greek schools. Among those students were Ephrem Mtsire (Ephraim the Small), Ekvtime Atoneli (Euthymius the Athonite), Giorgi Atoneli (George the Hagiorite), Arsen Ikaltoeli (Arsen of Iqalto), Ioane Petritsi and others. It is also noteworthy that Georgian students who studied abroad also established theological schools there and subsequently implemented their school traditions in their homeland. This practice of Georgian students was especially strong during the reign of David the Builder. Georgian King David the Builder (1089-1125) gave close attention to the education of his people. The king selected children who were sent to the Byzantine Empire «so that they be taught languages and bring home translations made by them there». Many of them later became well-known scholars.

At the time of David the Builder there were quite a few schools and academies in Georgia, among which Gelati occupies a special place. King David's historian calls Gelati Academy

«a second Jerusalem of all the East for learning of all that is of value, for the teaching of knowledge – a second Athens, far exceeding the first in divine law, a canon for all ecclesiastical splendors.»

Besides Gelati there also were other cultural-enlightenment and scholarly centers in Georgia at that time, i.e. the Academy of Ikalto.

Unfortunately, being annexed by Russia in early 19th century and later being a part of the Soviet Union, Georgia was isolated from the rest of the world and was deprived of opportunity to have open relationship with different countries in any field.

During the Soviet era lack of transparency and professional methods created favorable environment for corruption and disadvantageous conditions for teaching and learning process in the country. The burden of the Soviet system was felt in every field. Such situation lasted from 1918 till 1970s and moreover in fact even till 1991.

Since proclaiming independence in 1991, Georgia restored its linking role with various countries.

Georgia started to move to market economy, however reforming changes were interrupted by constant internal and external problems faced by the independent country, high level of corruption and lack of trend toward any kind of changes. Intensive reforming process started

since 2003, after the “Rose Revolution”.

Since the last ten years Georgia has been growing extremely economically, has fought against corruption, has facilitated licenses, taxes and most of the burdens for foreign investors. That is why Georgia is considered to be one of the countries with the best climate for doing business.

Today, when the borders are open in all directions and the priority of Georgia is Euro-Atlantic integration, relationship between Georgia and European countries as well as US, entered a new phase, paying great attention on one of nowadays central issues - Education.

Education brings together bright people and balances the course of integration and transformation into one common Higher Education Area that also is the objective of the Bologna process - to create more comparable, compatible and coherent systems of higher education in Europe.

All above mentioned issues are successfully carried out at International Black Sea University (IBSU).

Turkey and Georgia involve in a process of radical changes via cooperation, that traces back to the year of 1992, July 30, when Georgia and Turkey signed an agreement in the fields of economics, education, science and sport for the purpose of cooperation and neighborhood.

Turkish educational firm “Çağlar” representatives consider education as an important tool in terms of strengthening friendship between the two countries. For that purpose, representatives of Turkish and Georgian sides met where they focused on establishing mutual educational institutions.

International Black Sea University – established by Turkish-Georgian governments - is a good example of above mentioned higher educational institutions. The university unites intellectuals, researchers, professors, and students, which have such values in common as tolerance, dialog, high morality and positive interaction in the conditions of contemporary world.

The mission of IBSU is based on globalization. Successful relations among nations can be reached by promoting intercultural communication, which exists even as a separate field that has been turned into a professional rank of scholarship and expertise. IBSU is an educational and research institution, the primary goal of which is:

- To promote the development of Georgian and Global cultural values, orientation towards the ideals of democracy and humanism essential for the existence and development of a civil society;

- To realize personal potential, develop the creative skills, provide for competitiveness of graduates on domestic and international labor markets, and offer to the interested ones high quality education that meets the requirements of the student community and the public; To



create all conditions for study environment that enhances the quality of the student experience; also to promote equal opportunities for access, participation and achievement;

- Ensure accessibility and openness of higher education, academic freedom in teaching, learning and research, provision of higher education opportunities over the entire life span, involvement of academic staff and the students in making decisions and monitoring their implementation, publicity and transparency of the University management and the competitions held there; Provision of academic and social services;

- Prohibition of all forms of discrimination in the sphere of higher education, including academic, religious and ethnic grounds, also views, gender, social origin or any other grounds, etc.

Multilingual factor becomes a significant indicator of multicultural environment; Knowledge of several languages becomes necessary for each individual for private, job and professional purposes, mobility, involvement in international contract and other similar processes. What's more important, foreign language skills present one of the principal requirements on contemporary labor market.

International Black Sea University regularly hosts the international students from at least 10 countries and that students are given a chance to learn several foreign languages – English, Russian, French, German, Spanish, Turkish; Georgian - for foreign students that enhances their employing chances in Georgia and ensures success in their professional life.

Besides, one of the main priorities of IBSU is the implementation of different exchange programs the result of which is the list of the leading world universities IBSU has signed an agreement or memorandum with; These educational institutions are:

University of Barcelona (Barcelona, Spain);

University of Finance and Administration (Prague, Czech Republic);

Stockholm School of Economics in Riga (Riga, Latvia);

Cracow University of Economics (Cracow ,Poland);

Turiba University (Riga, Latvia);

Turgut Ozal University (Ankara, Turkey);

Yalova University (Yalova, Turkey);

Gediz University (Izmir, Turkey);

Fatih University (Istanbul, Turkey);

University of Northern Iowa (IOWA, USA);

Southern Polytechnic State University (Georgia, USA);

Washington University in St. Louis – Missouri, U.S.;

University of Catalonia - Barcelona, Spain;

State University of New York, Delhi (New York, USA);

University of New York in Prague (Prague, Czech Republic);

Kozminski University (Warsaw, Poland);

Siauliai University (Vilnius, Lithuania);

Solbridge International School of Business (South Korea);

Gediz University (Izmir, Turkey);

Qafqaz University (Baku, Azerbaijan);

Ondokuz Mayıs University (Samsun, Turkey);

Vistula University(Warsaw, Poland);

S.Demirel University (Almati, Kazakhstan);

Middle East Technical University(Ankara,Turkey)

However Georgia in incredibly short period of time through inconceivable reforms has broken Soviet and post-Soviet survivals, overshadowing Georgian identity, national values and capacity of education, nowadays Georgia still faces some difficulties;

Many years before, even in such conditions that existed in Soviet period Georgian students had started to seek for the better opportunities abroad, mainly in Russia, and the way to Russia really became as „the ray of hope” for them. Even though the corruption played a leading role there as well but less than in Georgian case.

Nowadays when all doors are open and the mental readiness of academic staff as well as students is on its top of development, there exists the man-made difficulties, barriers that hinder the process of mobility and accordingly the development of educational tourism.

There are still certain barriers that need to be dealt with before education received in higher education institutions of Georgia is fully recognized.

On the one hand, student mobility is the goal of state policy and Bologna Process, and on the other, it's an indicator of international recognition of Georgia's education area.

Georgia joined the Bologna Process in 2005. European system of credit accrument, recognition and transfer, practice of issuing bilingual academic degrees, national qualification framework were introduced in Georgia; But this is not sufficient for complete recognition of Georgia's higher education area on the European level. Correspondingly, the barriers that prevent recognition of knowledge received in Georgia by European higher education institutions still remain.

Among the main obstacles there are

- the difficulties with getting Visa for foreign students, that became more pressing question today;

- the issue of the day - the part of Georgian legislation regarding suspension of students status for those students who participate in exchange programs; According to the article 3 of order no10 of the Ministry of Education and Science of Georgia (4.02.2010) on the „Approval of the procedure of movement between Higher Education Institutions”, the studying abroad in Higher Education Institutions is defined as one of the grounds for the suspension of students status; that, in its turn, is interrelated with financial aspects; Students, whose status is suspended, does not receive state study grant in the corresponding semester and does not pay tuition fee to the „mother university” (if the amount of the tuition fee is more than the state study grant);

- the issue of recognition of credits the students have gained during exchange program in the HEI they have participated in; According to the Order N 98/N Of the Minister of Education and Science of Georgia, 1 October 2010 Tbilisi „On Approval of the Procedure of Validation of Georgian Educational Documents and Recognition of Foreign Education and Fees”, the recognition of foreign education shall cover the recognition of general secondary education or general education acquired during the study period, professional education, academic qualification/degree or education acquired during the period of study within the framework of a higher education programme. (Article 1. Scope of Regulation); The recognition of education shall be undertaken by the Legal Entity of Public Law – National Centre for Educational Quality Enhancement (hereinafter the EQE) commensurate with the International Agreements of Georgia, legal and sublegal act of Georgia and this Procedure (Article 2. Responsible Authority for the Validation of Georgian Educational Documents and Recognition of Education); For the recognition of education an owner of an education document, shall file with EQE an application, fee (For the recognition of foreign education – 30 GEL, and for the accelerated procedures for 15 business days – 60 GEL) and certain documents defined by law. The procedure for recognition of Higher education takes at least 15 days for accelerated procedure (Article 1. Amount of Fees, Annex №2 Fees for the Validation of Georgian Educational Documents, Recognition of Foreign Education and State Recognition of Higher Education, Acquires by Students of the Licensed Higher Education Institutions). And approximately one-two month for normal procedure; Though there exists more simplified regulation such as the 5 article of abovementioned document where there is the definition such as „ If a HEI has concluded a memorandum with foreign institution regarding executing exchange programs or/and transferring ECTS credits, the HEI has a right to receive preliminary consent for implementing the program from the National Center for Educational Quality Enhancement thus ensuring unconditional recognition of the courses studied within the frame of the vocational or higher

education exchange program. In such case the courses studied within the frame of the higher education exchange program are recognized despite of all the procedures defined by law.” But unfortunately this provision does not work (even though it defines certain fee for such kind of service), because there is no instruction that gives detailed information about making the provision work.

The main consequence of abovementioned is that it becomes absolutely unprofitable for HEIs to create exchange programs and encourage students to participate in them, thus the «mother universities» become less motivated to support the process of mobility of students.

Among the ways of resolving the problems today are named:

- elaboration of strategy;
- improving the provision of information;
- developing programs oriented at mobility and enhancing the attractiveness of Georgia’s higher education sphere.

Concrete approaches and measures are suggested for each direction that would be beneficial for resolving the problem. Issue of international academic mobility is significant for entire Europe. Georgia, as a member of Bologna Process, in recent years has been actively introducing the mechanisms that will simplify international mobility in the long-term perspective. However, in this regard it is also important to have certain short-term improvements as well.

Since the International student mobility issue in the European context is connected with several main factors, certain ways to solve the problems may be:

- Clear state policy;
- Availability of information on learning opportunities abroad for Georgian citizens;
- Shortage of educational programs oriented at student exchange;
- Attractiveness of Georgia’s higher education system.

Efforts made in each of these problematic directions would be beneficial in order to achieve long-term results.

We refrain from discussing the measures that have been discussed on the state and international levels many times before. They mainly concern such issues as independence of accreditation service and problems of national qualification framework. Based on the goals of the document the main emphasis is made on additional mechanisms, which can have a relatively fast and at the same time sustainable results in terms of increasing international student mobility.



We may offer some recommendations, such as:

- Giving priority to the organizations that will directly benefit from these activities could be important for ensuring effective introduction of the offered processes;
- Perfectly, the role of the state should be limited to coordination, monitoring, ensuring funding and facilitating international relations;
- Main group of beneficiary organizations could be Georgia’s higher education institutions;
- Implementation of international programs would be beneficial in terms of long-term sustainable development of their capacity;
- Creating of an agreement between the Ministry of education and HEIs that would find solutions for making exchange programs profitable for universities and increasing the motivation of HEIs in order to help their students develop their knowledge abroad;
- In order to ensure participation of international organizations in the introduction of relevant tools, their participation in the discussion of concrete approaches as well as existence of documentation reflecting conceptual and strategic attitudes in this direction would be extremely important;
- Besides, carrying out a detailed quantitative and qualitative research on international student mobility in Georgia would also be very important.

Conclusion

Readiness and interest of the state, in particular readiness and interest of Ministry of Education and Science and Government of Georgia play an essential role in effective implementation of the offered ways directed at increasing and simplifying the procedures of international student mobility. Increasing the state’s interest can be dependent on expressed aspirations of Georgian higher education institutions in that direction. We believe if Georgian higher education institutions express an adequate interest, elaboration of the strategy and introduction of concrete programs and approaches will be possible. Engagement of international organizations and international diplomatic representations is also important.

Moreover, Georgian Government and the Ministry of Education and Science of Georgia has to initiate and develop relationships with relevant bodies in order to seek recognition and funding appropriate to the level of maturity of the subject as an area of study, but also in line with its importance as an activity, and an industry, both in Georgia and internationally. The Government of Georgia has to establish links with a range of organizations, from government policy makers, to industry leaders, to European and International educational organizations in recognition of the immense challenges the world faces, and the responsibility that tourism

educators have as well as to work towards more responsible and sustainable educational tourism development which can be one of the main components for successful future of the country.

References

Integration of Georgia’s higher education system in the European higher education area (International student mobility) by Simon Janashia, http://www.academia.edu/2364538/Integration_of_Georgias_higher_education_system_in_the_European_higher_education_area_International_student_mobility;

<http://www.ond.vlaanderen.be/hogeronderwijs/bologna/actionlines/mobility.htm>

Specifics of Strategic Management in PR Practice

Nickolas George MAKHARASHVILI

nicolaspr1ge@yahoo.com

International Black Sea University

Georgia

Abstract

Democracy building has become a real and vibrant process in Georgia as a result of the changes brought by the Public Movement of 2003. Recently the Georgian government is currently pursuing widespread reforms in the economic, political and social systems governing the country, and faces the challenge of communicating these reforms to the public in a meaningful and positive way. This situation has placed the need for creating sustainable capacity for public relations as an urgent item on the government's agenda.

Keywords: Pursuing, challenge, reputation, publicity, promotion, merchandising, facilitate, vibrant process, momentum, mutual benefit, performance.

Introduction

Public relations is about reputation—the result of what you do, what you say and what others say about you. Public Relations Practice is the discipline which looks after reputation with the aim of earning understanding and support, and influencing opinion and behavior.

1. Some principles of organizational role and function of PR

As the definitions suggest, the result of public relations efforts must be the real behavior of the organization and perceptions of that behavior by its publics. Therefore, among the various titles now being used for the role of the public relations function are communications management (or sometimes strategic communications management), reputation management and relationship management. In delineating these, all are managerial roles.

I want to describe the function and role of public relations practice by stating from some basic principles:

Public relations deals with reality, not false fronts. Conscientiously planned programs that put the public interest in the forefront are the basis of sound public relations policy. PR deals with facts, not fiction (Newsom 2007).

Public relations is a service-oriented occupation in which public interest, not personal reward, should be the

primary consideration. PR is a public, not personal, service (Tench 2006).

Since the public relations practitioner must go to the public to seek support for programs and policies, public interest is the central criterion by which he or she should select these programs and policies. (PR practitioners must have the guts to say «no» to a client or to refuse a deceptive program.)

Because the public relations practitioner reaches many publics through mass media, which are the public channels of communication, the integrity of these channels must be preserved. (PR practitioners should never lie to the news media, either outright or by implication.)

Because PR practitioners are in the middle between an organization and its publics, they must be effective communicators—conveying information back and forth until understanding and ideally consensus are reached. (The PR practitioner probably was the original ombudsman woman.)

To expedite two-way communication and to be responsible communicators, public relations practitioners must use scientific public opinion research extensively. PR cannot afford to be a guessing game.

To understand what their publics are saying and to reach them effectively, public relations practitioners must employ the social sciences—psychology, sociology

social psychology—and the literature of public opinion, communication and semantics. (Intuition is not enough.)

Public relations practitioners are obligated to explain problems to the public before these problems become crises. (PR practitioners should alert and advise, so people won't be taken by surprise.)

A public relations practitioner should be measured by only one standard: ethical performance.

Because of complexity PR professional must adapt the work of other related disciplines, including learning theory and other psychology theories, sociology, political science, economics and history. The PR held requires multidisciplinary applications.

PR and related activities. Public relations involve many activities. People's participation in the activities of public relations and their subsequent assertion that, therefore, they are «in public relations» often cause confusion in others' understanding of what public relations is. The activities of PR practice include: press agency, promotion, publicity, public affairs, research (primary and secondary), graphics, and advertising, marketing, integrated marketing communications and merchandising support.

- Press agency involves planning activities staging events—sometimes just stunts—that will attract attention to a person, institution, idea or product

- Promotion goes beyond press agency into opinion making. Promotion tries, to garner support and endorsement for a person, product, institution or idea.

- Publicity is placing information into a news medium. Publicity is not always good news. A PR writer may be crafting a response to an unpleasant situation. Publicists are primarily writers, one of the technical support team for public relations. Publicists working for government are often called information officers.

- Public affairs, when the term is used by government, means the same thing as public relations, with external publics. However, in companies or nonprofit organizations, it usually means the person responsible for that organizations relationship with all branches of government. Most of the activity is with the legislative and regulatory branches.

- Research is the foundation of all good public relations strategy. Much research involves publics and public opinion, although other research may involve the marketplace and the social, economic and legal climate in which a public relations activity is centered.

- Graphics are important because all public relations readers and viewers are «volunteers» who will reject any presentation that is visually unappealing and not user-friendly

- Advertising is usually commercial time or space bought in specific media to control the time, place and message. However when nonprofits use advertising, the time or space may be donated by a medium, but what is lost is

control over use and timing.

- Marketing is directed toward consumers of a service or product In 2004, the American Marketing Association (AMA) defined marketing as «an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. The AMA includes in that definition activities (ideas and services) of non-profit organizations, as well as those sold for profit (Newsom 2007).

- Integrated marketing communications (IMC) began developing in the 1990s and emerged from what had been called Marketing/PR. Then IMC began to focus on branding to give instant recognition for a product or company. IMC, talked about «relationship building,» which sounded a lot like what PR was doing. Although some PR people accepted the development as IMC other PR people agreed only that organizations should unify all communications to «speak with one voice»: what they called IC or integrated communication. As a result. IC and IMC terms began showing up in name changes for firms and in curriculum changes in some colleges and universities.

- Merchandising is concerned with presentation. Its focus is the packaging for a product, idea or perhaps even a political candidate.(Newsom 2007) Technology has changed merchandising in the diversity of delivery: compact disc (CD) or fax, in addition to audiocassette or print, plus the direct response of online purchasing and cable-television shopping channels. Merchandising experts are strong in the application of graphics, color, tactile responses and emotional reactions to physical imagery.

All of these are important elements in the «toolbox» of solutions to reaching publics. But public relations is something greater than just this collection of activities (Newsom 2007).

Changes in the environment for public relations can shift the emphasis from one activity to another over time. Recently, advances in technology—such as significant differences in the way the news media operate—have driven many of these shifts. Another result of these advances has been increased globalization, affecting both internal and external communication and significantly altering the way crises are handled. All crises now get global attention, which creates considerable urgency for appropriate organizational responses that are destined to be weighed in the world court of public opinion (Willcox 2009).

2. The importance of the public relations function and practical strategy recommendations. (Georgian based)

The importance of the public relations function as an integral part of the effective activity of any organization is still relatively unknown in Georgia, although there are some fledgling attempts to establish commercial PR agencies in the country. To date, however, there is a deficit of skilled public relations professionals in the country.



The PR strategy for local government that will be undertaken as a result of US-based research on PR strategy for government is aimed at establishing effective Public Relations Departments in the offices of city assemblies throughout Georgia. A successful PR function in local governments will facilitate active involvement of society in the process of decision-making by government structures and raise transparency of the reform activities undertaken by local government authorities. At this stage in the democratization process in Georgia, there is a critical need for society to understand the roles, responsibilities and functions of local government, and the rights and responsibilities of citizens in relation to it. Active engagement by the citizenry and civil society organizations in local government is essential in building a democratic society.

The policy and functioning of local government in Georgia is still in the early stages of development and the strength of local governments' capacity is far from ideal. Local governments are in need of a great deal of assistance to prepare them to undertake their responsibilities in an effective manner.

Objectives and overall purpose of the PR strategy and subsequent research is establishment of the principles of transparency and accountability in elected governmental structures, through strengthened capacity within those structures for public education, communication and engagement. The focus of this capacity building effort will be establishment of effective public relations functions within city assemblies and other local government bodies.

The strategy and subsequent research activity in Georgia is expected to verify the following working hypotheses:

1. Use of Public Relations strategy in governmental institutions, such as city assemblies, will establish a body considered to be the “facilitators of democracy” between local and national administrative bodies and the public. The legislative system governing formation and function of local government is not yet fully established in Georgia, and public participation in governance is a new phenomena. There is no tradition of public engagement in governmental administration and decision-making, and the population currently has very little access to information about the reform agenda of the government and the role of their local government – either appointed or elected – in carrying out the reforms. The lack of transparency in development of an agenda for change and poor communication of goals, strategy and poor communication has resulted in growing mistrust in the motives and capacity of the new government and their local representatives. This is a timely issue for Georgia right now, as legislation for local self-governance is being formulated.

2. The practical need for city assemblies to establish open, productive partnerships with civil society (non-governmental organizations (NGOs)) communities has created an imperative for the establishment of capacity for

effective public relations within local government structures. PR, as a vital part of institutions that function for and in relationship with the public, is recognized as an important tool of local government in countries throughout the world. There is a critical need to build this function within governmental offices as democracy evolves in Georgia, in order to facilitate constructive engagement between communities, civil society and local administrations.

3. Deficiency in the information that flows to the public often results in tensions between central government and regional bodies. Development of the public relations sector, encompassing a wide range of mechanisms for communication and public participation, will facilitate resolution of these tensions. Establishment of effective partnerships between government and non-governmental groups and exchanges of information between appointed and elected officials, civil society organizations and the public will be greatly assisted by development of the PR sector in government. The proposed effort to build local governments' capacities for effective interchange with the public will actively involve both governmental institutions and civil society organizations.

Strategy and methodology will be implemented in two stages: (a) research, study and practical experience in government sector public relations and (b) implementation of PR training and ongoing support to selected city assemblies in Georgia..

Research: In association with an appropriate academic institution, I will undertake a combination of individual study and will endeavor to arrange short practical appointments (internships) in the PR department of one or more local government offices. The outcome of this theoretical and practical experience will be a package of PR training materials for use by local governments in Georgia. It is anticipated that this training package will consist of a combination of:

- Short practical seminars for members of city assemblies and other local government offices, supported by appropriate written resource materials; seminar topics will tentatively include:

Democratic evolution and social, political and economic sector reforms in Georgia; the current state of legislation and reforms related to local self-governance.

The main principles of Public Relations and the potential for PR to enhance the effectiveness of local government.

Media relations (preparation of press releases, informational bulletins, advertisements, and public service messages).

Establishing effective partnerships with NGOs; the role of NGOs and civil society in building democracy.

Formation of public opinion; organization and management of public opinion (alternatives for overcoming negative opinions and dealing constructively with opposing views, and public communication in times of crisis.

Strategic management of PR.

- On-the-job coaching and mentoring of city assembly staff responsible for PR; and

- Placement of Public Relations interns from Tbilisi Technical University, where I am currently a Lecturer in Public Relations, in local government offices.

The practical and concrete tasks for PR strategy implementation include:

- Establishment full and strong of Public Relations Departments within selected city assemblies and local government institutions in Georgia;

- Undertaking training and ongoing capacity strengthening with these local government offices and, in particular, with the staff responsible for public relations;

- Engaging the media and government in joint efforts to popularize mass media in the rural areas of Georgia (known as “the regions”);

- Supporting local government to planning and implement PR campaigns to raise awareness among the public of their role in supporting and engaging in democratic processes;

- Assisting government to establish transparent mechanisms for routine citizen engagement in decision-making, governance and public administration; and

- Supporting establishment of effective partnerships between local government and networks of civil society organizations NGOs.

The proposed PR strategy research will be evaluated on two levels. The package (seminar session plans, proposed methodology, support materials and individual coaching strategy) will be evaluated for excellence of professional standards, practicality of approach, use of current best practice in the field and soundness of learning methodologies.

The second level of evaluation will focus on the ultimate outcomes of application of the PR training package on a practical level, with selected local government offices in Georgia. Expected outcomes include: (a) establishment of functioning PR Departments in local government offices; (b) establishment of fruitful partnerships between local government and non-governmental structures; (c) greater transparency of and public participation in the activities undertaken by local governments; (d) greater understanding of and support for ongoing national and local reforms among constituent populations; (e) active participation by the society and non-governmental organizations in democratic processes, and in articulating problems and resolving them with local resources and input; and finally, (f) firm establishment of the academic discipline and practice of PR for governmental institutions in Georgia, resulting in the development of a cadre of qualified PR professionals working in the service of future democratic reforms in the country.

Conclusion

The approach to public relations that I have pursued in my PR strategy recommendations is one that focuses on

establishment of effective, two-way communications, with the aim of creating common ground and identifying areas of mutual benefit. This very approach will lend itself quite well to the needs and priorities of formed local government structures in Georgia. It will be the basis for development of the PR training package for local government. The strategy project is important in several ways. First and foremost, development of a cadre of effective public relations professionals within government offices in Georgia is critically important to the success of current efforts to build public support for reform and engage Georgians in the process of democracy building.

The Georgian government is currently facing a monumental task related to the evolution of democracy in the country – building public trust and confidence, establishing transparent and participatory mechanisms for local self-governance and successfully engaging civil society and the citizenry in democratic processes.

The proposed research is focus on the role of public relations function in relation to local government, and the resulting training package will be designed to assist local government offices to communicate government priorities, options, challenges and courses of action to constituents. An enhanced PR function will help to overcome current low levels of confidence and mistrust in government and build understanding of the reforms being undertaken by the government, and facilitate the establishment of productive and lasting partnerships between communities and their local governments.

The approach to public relations that I have pursued in my PR strategy recommendations is one that focuses on establishment of effective, two-way communications, with the aim of creating common ground and identifying areas of mutual benefit. This very approach will lend itself quite well to the needs and priorities of formed local government structures in Georgia. It will be the basis for development of the PR training package for local government.

At the same time that my research work will result in positive outcomes for the democratic process in Georgia, it will yield great benefits as well for PR practitioners’ own professional pursuits.

References

- Dennis Willcox (2009) “Public Relations Strategy and Tactics”. USA. Pearson Education.
- Allen Center (2008) “Public relations Practices” USA. Pearson Education.
- Ralph Tench (2006) “Exploring Public Relation”s. UK. Pearson Education.
- Doug Newsom (2004) “This is PR. The Realities of Public Relations”. USA. Thomson.
- Richard Learner (2006) “Full Frontal Public Relations”. USA. Bloomberg Press.