

**The Role of Tourism in Rural Development:  
A Case Study of Tajikistan**

By

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## TABLE OF CONTENTS

|   |            |
|---|------------|
| <b>ACKNOWLEDGEMENTS .....</b>                     | <b>ii</b>  |
| <b>LIST OF TABLES.....</b>                        | <b>ix</b>  |
| <b>LIST OF FIGURES.....</b>                       | <b>xi</b>  |
| <b>LIST OF ABBREVIATION .....</b>                 | <b>xii</b> |
| <b>ABSTRACT .....</b>                             | <b>xiv</b> |
| <b>CHAPTER 1: INTRODUCTION .....</b>              | <b>1</b>   |
| 1.1 BACKGROUND INFORMATION .....                  | 1          |
| 1.2 RESEARCH PROBLEM.....                         | 2          |
| 1.3 RESEARCH FOCUS.....                           | 3          |
| 1.4 RESEARCH AIMS, OBJECTIVES, AND QUESTIONS..... | 4          |
| 1.5 METHODOLOGY .....                             | 6          |
| 1.6 RATIONALE FOR THE RESEARCH.....               | 8          |
| 1.7 SIGNIFICANCE OF THE RESEARCH .....            | 9          |
| 1.8 PRACTICAL IMPLICATIONS .....                  | 10         |
| 1.9 STRUCTURE OF THE THESIS .....                 | 10         |
| <b>CHAPTER 2: LITERATURE REVIEW .....</b>         | <b>12</b>  |
| 2.1 INTRODUCTION .....                            | 12         |
| 2.2 THE CONCEPTUAL AND THEORETICAL FRAMEWORK..... | 14         |
| 2.2.1 TOURISM TERMS AND DEFINITIONS .....         | 14         |
| 2.2.2 TYPES OF TOURISM.....                       | 17         |
| 2.2.3 DEFINING DEVELOPMENT.....                   | 18         |
| 2.2.4 CONCEPTUAL FRAMEWORK.....                   | 20         |
| 2.2.5 THEORETICAL UNDERPINNINGS .....             | 21         |
| 2.3 RURAL TOURISM AND DEVELOPMENT .....           | 26         |
| 2.3.1 DEFINING RURALITY .....                     | 26         |
| 2.3.2 DEFINING RURAL TOURISM.....                 | 28         |
| 2.3.3 RURAL TOURISM CONCEPT .....                 | 30         |

|  |           |
|--|-----------|
| 2.4 THE IMPACT OF TOURISM ON SOCIAL ECONOMIC DEVELOPMENT OF RURAL AREAS..... | 32        |
| 2.4.1 AGRITOURISM .....  | 33        |
| 2.4.2 COMMUNITY BASED TOURISM.....   | 34        |
| 2.4.3 ECOTOURISM .....   | 37        |
| 2.4.4 NATURE BASED TOURISM.....  | 38        |
| 2.4.5 MOUNTAIN TOURISM .....   | 39        |
| 2.5 THE PREREQUISITES OF RURAL TOURISM DEVELOPMENT .....                     | 42        |
| 2.6 FOREIGN AID, TOURISM, AND DEVELOPMENT.....                               | 46        |
| 2.6.1 DEFINING FOREIGN AID.....  | 47        |
| 2.6.2 FOREIGN AID AND TOURISM DEVELOPMENT.....                               | 50        |
| 2.7 FOREIGN DIRECT INVESTMENT AND TOURISM DEVELOPMENT .....                  | 54        |
| 2.7.1 DEFINING FOREIGN DIRECT INVESTMENT .....                               | 54        |
| 2.7.2 FDI AND TOURISM DEVELOPMENT.....                                       | 55        |
| 2.8 CONCLUSIONS .....  | 58        |
| <b>CHAPTER 3: METHODOLOGY .....</b>  | <b>60</b> |
| 3.1 INTRODUCTION .....   | 60        |
| 3.2 RESEARCH STRATEGY .....  | 60        |
| 3.3 RESEARCH APPROACHES.....   | 61        |
| 3.4 AREA OF STUDY .....  | 62        |
| 3.5 DATA COLLECTION .....  | 64        |
| 3.5.1 SAMPLE SIZE.....   | 72        |
| 3.6 DATA ANALYSIS.....   | 75        |
| 3.6.1 OVERVIEW OF TOURISM DEVELOPMENT IN TAJIKISTAN .....                    | 76        |
| 3.6.2 CASE STUDY ANALYSIS.....   | 76        |
| 3.6.3 SWOT ANALYSIS .....  | 76        |
| 3.7 CONCLUSION.....  | 78        |
| <b>CHAPTER 4: OVERVIEW OF TOURISM DEVELOPMENT IN TAJIKISTAN</b>              | <b>79</b> |
| 4.1 INTRODUCTION .....   | 79        |
| 4.2 REVIEW OF THE TAJIK LITERATURE ON TOURISM SECTOR.....                    | 80        |

|  |            |
|--|------------|
| 4.3 TOURISM DEVELOPMENT IN TAJIKISTAN DURING THE SOVIET UNION PERIOD.....  | 82         |
| 4.4 ACQUISITION OF INDEPENDENCE AND THE TRANSITION PERIOD .....  | 89         |
| 4.5 POLITICAL STABILITY AND TOURISM DEVELOPMENT REFORMS .....  | 95         |
| 4.6 STRATEGIC PLANNING FOR TOURISM DEVELOPMENT AND RURAL URBAN DISPARITIES .....                                 | 100        |
| 4.6.1 TOURISM DEVELOPMENT PROGRAMS.....  | 100        |
| 4.6.2 RURAL – URBAN DISPARITIES.....   | 107        |
| 4.7 CONCLUSION.....  | 112        |
| <b>CHAPTER 5: ANALYSIS OF THE IMPACT OF TOURISM DEVELOPMENT ON THE RURAL AREAS OF TAJIKISTAN.....</b>            | <b>116</b> |
| 5.1 INTRODUCTION .....   | 116        |
| 5.2 RURAL DEVELOPMENT IN TAJIKISTAN.....   | 117        |
| 5.3 TOURISM DEVELOPMENT EFFORTS .....  | 119        |
| 5.3.1 TOURISM DEVELOPMENT PROGRAMS.....  | 119        |
| 5.3.2 FOREIGN AID FOR TOURISM DEVELOPMENT IN TAJIKISTAN .....  | 122        |
| 5.4 TOURISM AND RURAL DEVELOPMENT IN TAJIKISTAN.....   | 125        |
| 5.5 TOURISM AND INFRASTRUCTURE DEVELOPMENT IN THE LOCAL REGIONS OF TAJIKISTAN .....                              | 127        |
| 5.5.1 TOURISM AND RURAL INFRASTRUCTURE DEVELOPMENT .....   | 127        |
| 5.6 TOURISM AND INVESTMENT ATTRACTION TO THE LOCAL REGIONS OF TAJIKISTAN .....                                   | 129        |
| 5.7 TOURISM AND EMPLOYMENT CREATION IN LOCAL REGIONS OF TAJIKISTAN .....   | 138        |
| 5.8 PARTICIPATORY PLANNING.....  | 142        |
| 5.9 CONCLUSIONS .....  | 145        |
| <b>CHAPTER 6: SWOT ANALYSIS ON THE POTENTIALS AND CHALLENGES OF TOURISM DEVELOPMENT IN RURAL TAJIKISTAN.....</b> | <b>147</b> |
| 6.1 INTRODUCTION .....   | 147        |
| 6.2 SWOT ANALYSIS.....   | 148        |

|  |            |
|--|------------|
| 6.3 A SWOT ANALYSIS OF TOURISM IN TAJIKISTAN .....   | 150        |
| 6.3.1 STRENGTHS .....  | 151        |
| 6.3.2 WEAKNESSES.....  | 159        |
| 6.3.3 OPPORTUNITIES .....  | 167        |
| 6.3.4 THREATS .....  | 170        |
| 6.4 CONCLUSIONS .....  | 174        |
| <b>CHAPTER 7: DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS</b>  | <b>176</b> |
| 7.1 INTRODUCTION .....   | 176        |
| 7.2 DISCUSSION.....  | 177        |
| 7.2.1 THE PREREQUISITES OF RURAL TOURISM DEVELOPMENT AND ITS<br>ROLE IN FOREIGN CAPITAL ACCUMULATION (OBJECTIVES ONE AND TWO)<br>..... | 177        |
| 7.2.2 THE EVOLUTION AND DEVELOPMENT OF TOURISM IN THE RURAL<br>AREAS OF TAJIKISTAN, (OBJECTIVE THREE) .....                            | 179        |
| 7.2.3 TOURISM AND RURAL DEVELOPMENT: A CASE STUDY OF<br>TAJIKISTAN (OBJECTIVE FOUR).....   | 184        |
| 7.2.4 POTENTIALS AND CHALLENGES OF RURAL TOURISM DEVELOPMENT<br>IN TAJIKISTAN (OBJECTIVE FIVE) .....                                   | 186        |
| 7.3 CONCLUSIONS .....  | 187        |
| 7.4 THE IMPLICATIONS OF THE STUDY .....  | 191        |
| 7.4.1 THEORETICAL IMPLICATIONS .....   | 191        |
| 7.4.2 PRACTICAL IMPLICATIONS.....  | 193        |
| 7.5 RECOMMENDATIONS.....   | 194        |
| 7.5.1 DEVELOPMENT OF TOURISM INFRASTRUCTURE .....  | 194        |
| 7.5.2 DEVELOPMENT OF PUBLIC–PRIVATE-PARTNERSHIPS.....  | 195        |
| 7.5.3 PARTICIPATORY PLANNING .....   | 195        |
| 7.5.4 IMPROVING TOURISM STATISTICS .....   | 196        |
| 7.5.5 ESTABLISHMENT OF DESTINATION MANAGEMENT ORGANIZATIONS<br>.....   | 197        |
| 7.5.6 DEVELOPMENT OF HUMAN RESOURCES .....   | 197        |
| 7.5.7 DEVELOPMENT OF COMMUNITY-BASED TOURISM.....  | 199        |

|   |            |
|---|------------|
| 7.6 LIMITATIONS AND FUTURE STUDIES..... | 199        |
| <b>REFERENCES .....</b>                 | <b>201</b> |
| <b>APPENDIX 1.....</b>                  | <b>225</b> |
| <b>APPENDIX 2.....</b>                  | <b>230</b> |
| <b>APPENDIX 3.....</b>                  | <b>240</b> |



## LIST OF TABLES

|   |     |
|---|-----|
| TABLE 3.1 LIST OF THE QUESTIONS FOR DEFINING THE POTENTIALS AND CHALLENGES OF THE TOURISM SECTOR IN THE RURAL AREAS OF TAJIKISTAN .....                                 | 66  |
| TABLE 3.2 LIST OF THE FACILITIES FOR DEFINING THE IMPACT OF THE TOURISM SECTOR IN THE RURAL AREAS OF TAJIKISTAN .....   | 71  |
| TABLE 3.3 RESPONDENT PROFILES .....   | 73  |
| TABLE 3.4 SAMPLE DISTRICTS AND TOWNS .....  | 74  |
| TABLE 4.1 DYNAMICS OF TOURIST AND RECREATION FACILITIES IN 1980-1989 IN THE TSSR.....   | 86  |
| TABLE 4.2 NUMBER OF VISITORS TO TOURIST AND RECREATION FACILITIES IN 1980-1989 IN THE TSSR (IN THOUSANDS).....  | 87  |
| TABLE 4.3 TOURISM LEGISLATIVE AND REGULATORY BASE IN TAJIKISTAN .....   | 99  |
| TABLE 4.4 LIST OF FACILITIES THAT FOR THEIR CONSTRUCTION THE IMPORT OF EQUIPMENT, MACHINERY AND BUILDING MATERIALS ARE EXEMPTED FROM VALUE-ADDED TAX AND CUSTOMS DUTIES | 110 |
| TABLE 5.1 INVESTMENT INFLOW TO FEZ AND EMPLOYMENT CREATED   | 118 |
| TABLE 5.2 TOURISM AND RURAL INFRASTRUCTURE DEVELOPMENT IN THE REGIONS .....   | 128 |
| TABLE 5.3 TOURISM INFRASTRUCTURE CREATED IN THE REGIONS OF TAJIKISTAN DURING 2017-2021 .....  | 129 |
| TABLE 5.4 INVESTMENT FLOWS TO TOURISM AND RURAL INFRASTRUCTURE DURING 2017-2021 (MILLION SOMONI).....   | 131 |
| TABLE 5.5 SOURCES OF INVESTMENT TO TOURISM AND RURAL INFRASTRUCTURE.....  | 135 |
| TABLE 5.6 EMPLOYMENT IN TOURISM SECTOR IN THE LOCAL REGIONS OF TAJIKISTAN .....   | 139 |
| TABLE 5.7 DISTRIBUTION OF EMPLOYMENT IN TOURISM SECTOR BY GENDER IN THE LOCAL REGIONS OF TAJIKISTAN .....   | 141 |

|   |     |
|---|-----|
| TABLE 5.8 SUMMARY OF THE RESULTS OF SURVEY ON PARTICIPATORY<br>PLANNING AND TOURISM MANAGEMENT IN RURAL AREAS OF<br>TAJKISTAN ..... | 143 |
| TABLE 6.1 A SWOT ANALYSIS OF THE TOURISM SECTOR IN TAJIKISTAN   | 151 |
| TABLE 6.2 A SUMMARY OF OBSERVATIONS ON THE STRENGTHS OF THE<br>TOURISM SECTOR IN TAJIKISTAN.....                                    | 152 |
| TABLE 6.3 A SUMMARY OF THE PERCEIVED WEAKNESSES OF THE<br>TOURISM SECTOR IN TAJIKISTAN.....   | 159 |
| TABLE 6.4 A SUMMARY OF THE OPPORTUNITIES IN THE TOURISM SECTOR<br>IN TAJIKISTAN .....   | 167 |
| TABLE 6.5 A SUMMARY OF THE THREATS OF THE TOURISM SECTOR IN<br>TAJKISTAN .....  | 171 |

## LIST OF FIGURES

|  |     |
|--|-----|
| FIGURE 2.1 PROPOSED CONCEPTUAL MODEL.....  | 21  |
| FIGURE 2.2 RURAL TOURISM CONCEPTS.....   | 31  |
| FIGURE 2.3 THE ESSENCE OF THE STRATEGIC PLANNING PROCESS .....   | 36  |
| FIGURE 3.1 ADMINISTRATIVE MAP OF TAJIKISTAN.....   | 63  |
| FIGURE 4.1 PROCESS OF THE STRATEGIC PLANNING AND<br>IMPLEMENTATION OF TOURISM DEVELOPMENT IN TAJIKISTAN.....           | 104 |
| FIGURE 4.2 ARRIVALS OF NON-RESIDENT VISITORS AT THE NATIONAL<br>BORDERS OF TAJIKISTAN IN 2009-2015 .....               | 105 |
| FIGURE 4.3 POVERTY RATE TREND AND GDP PER CAPITA GROWTH IN<br>TAJIKISTAN DURING 2007-2020 .....                        | 106 |
| FIGURE 4.4 ARRIVALS OF NON-RESIDENT VISITORS AT THE NATIONAL<br>BORDERS OF TAJIKISTAN IN 2017-2020 .....               | 111 |
| FIGURE 5.1 INVESTMENT DISTRIBUTION BY SEGMENT.....   | 132 |
| FIGURE 5.2 REGIONAL DISTRIBUTION OF THE INVESTMENT FLOW TO<br>TOURISM AND RURAL INFRASTRUCTURE.....                    | 133 |
| FIGURE 5.3 INVESTMENT INFLOW TO TOURISM ACCOMMODATION<br>DURING 2017-2021 .....  | 134 |
| FIGURE 5.4 DISTRIBUTION OF INVESTMENT BY SOURCE OF FUND.....   | 136 |
| FIGURE 5.5 FDI INFLOW TO THE ECONOMY OF TAJIKISTAN DURING 2017-<br>2021 (IN MILLION USD) .....                         | 136 |
| FIGURE 5.6 TREND IN THE NUMBER OF TOUR COMPANIES IN TAJIKISTAN<br>.....  | 137 |
| FIGURE 5.7 REGIONAL DISTRIBUTION OF TRAVEL COMPANIES IN<br>TAJIKISTAN .....  | 138 |
| FIGURE 5.8 REGIONAL DISTRIBUTION OF THE EMPLOYMENT BY THE<br>TOURISM INDUSTRY IN THE LOCAL REGIONS OF TAJIKISTAN ..... | 140 |
| FIGURE 5.9 NUMBER OF TOURISTS TO THE LOCAL REGIONS OF<br>TAJIKISTAN DURING 2019-2021 .....                             | 142 |

## LIST OF ABBREVIATION

|      |   |
|------|---|
| ADB  | Asian Development Bank  |
| APU  | Ritsumeikan Asia Pacific University   |
| ATM  | Automated Teller Machine  |
| CBT  | Community-Based Tourism   |
| CIS  | Commonwealth of Independent States  |
| CTD  | Committee of Tourism Development under the Government of the Republic of Tajikistan |
| CTDT | Concept for Tourism Development in Tajikistan                                       |
| DCC  | Donor Coordination Council  |
| DMO  | Destination Management Organization   |
| DRS  | Districts of Republican Subordination   |
| EU   | European Union  |
| FDI  | Foreign Direct Investment   |
| FEZ  | Free Economic Zones   |
| FPR  | Fund for Poverty Reduction  |
| GBAO | Gorno Badakhshon Autonomous Oblast  |
| GDP  | Gross Domestic Products   |
| GoT  | Government of Tajikistan  |
| IFC  | International Financial Cooperation   |
| IMF  | International Monetary Fund   |
| JICA | Japanese International Cooperation Agency   |
| JSC  | Joint Stoke Company   |
| LDC  | Least Developed Countries   |
| MDG  | Millennium Development Goals  |
| MEDT | Ministry of Economic Development and Trade  |
| MSME | Micro, Small, and Medium Enterprises  |
| NBT  | National Bank of Tajikistan   |
| NDS  | National Development Strategy of the Republic of Tajikistan                         |
| OECD | Organization for Economic Cooperation and Development                               |

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| PPP    | Public–private partnerships                                      |
| PRSP   | Poverty Reduction Strategy Paper                                 |
| SDev   | Standard Deviation   |
| SDG    | Sustainable Development Goals                                    |
| STDP   | State Tourism Development Program in Tajikistan                  |
| SWOT   | Strengths, Weaknesses, Opportunities, and Threats                |
| TDP    | Tourism Development Program                                      |
| TDS    | Tourism Development Strategy of the Republic of Tajikistan       |
| TLSS   | Tajikistan Living Standards Survey                               |
| TSA    | Tourism Satellite Account  |
| TSSR   | Tajik Soviet Socialist Republic                                  |
| UN     | United Nations   |
| UNCTAD | United Nations Conference on Trade and Development               |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| UNSD   | United Nations Statistics Division                               |
| UNWTO  | United Nations World Tourism Organization                        |
| USA    | United States of America   |
| USSR   | Union of Soviet Socialist Republics                              |
| USAID  | United States Agency for International Development               |
| USD    | United States Dollar   |
| WB     | World Bank   |
| WTTC   | World Travel and Tourism Council                                 |
| WW II  | World War 2  |

## **ABSTRACT**

In the pre Covid-19 period tourism gained recognition as an export industry worldwide and was acknowledged for its contribution to socioeconomic development in many countries. Within this contribution, tourism was also regarded as a tool for rural development, particularly in developing countries. A review of the tourism literature, however, shows that most of the statements on the economic impact of tourism on rural areas are based on economic modeling using available macroeconomic data and are mainly from developed countries. Studies from the developing countries are often qualitative due to data limitations and may not reflect the real impact of tourism in rural development. Macroeconomic data on tourism are not readily available in developing countries and that is a challenging issue. Thus, the main aim of this study is to examine the role of tourism in rural development in developing countries based on a case study of Tajikistan. Recommendations for rural development using tourism in developing countries flow from this approach. The study seeks to rectify the lack of quantitative data by applying a case study strategy using a mixed method and simple supply (analyzing the impact of facility provision) approach. Both quantitative and qualitative data were gathered and analyzed using the simple supply approach and the technique of descriptive analysis. A two round questionnaire survey was used to obtain data. The first round of data collection occurred in October-December 2020 and included 120 respondents from the national and local level in Tajikistan. The second survey, conducted in October-December 2021 in 38 districts and towns in Tajikistan, is the main case study of rural area development.

The results of the study indicate that tourism is contributing to rural development

in Tajikistan, especially to the development of local infrastructure, the development of service enterprises, and the creation of employment opportunities, though this is in the early stages of development. The study also outlines the potential and challenges for further rural tourism development in Tajikistan and from these makes recommendations for tourism and rural development policies in similar countries. The findings of the study contribute to knowledge of rural development through tourism, extends the simple supply approach to the use of micro-data and validates its applicability in developing countries with limited data gathering capacity.

**Keywords:** Tourism, rural development, developing countries, potentials and challenges, Tajikistan.

## **CHAPTER 1: INTRODUCTION**

### **1.1 Background information**

Tourism is gaining recognition worldwide as a tool for social-economic development due to the fact that it has significant direct and indirect effects on other sectors of the destination economy (UNWTO, 2019). In 2019 the total contribution of travel and tourism to employment was estimated at about 10% of total worldwide employment (UNWTO, 2019). Based on this, tourism contributes a significant amount to the gross domestic product (GDP) of many countries. The total contribution of travel and tourism to worldwide GDP was estimated at US\$8.9 trillion or 10.3% of total GDP in 2019 (WTTC, 2019), while world-wide travel and tourism investment in 2019 was US\$948 billion or 4.3 percent of total investment (WTTC, 2019).

As a result, the impact of this economically important industry has been studied from various perspectives, particularly the creation of new jobs, the development of entrepreneurs, the development of the private sector, the attraction of investment, cultural preservation, poverty alleviation, and in general, living standard improvements (Lane, 1994; Donaldson, 2007; Han and Yotsumoto, 2009; Irshad, 2010; Samimi et al. 2013; Lonica et al. 2017; Nanping et al. 2018; Ibanescu et al. 2018; UNWTO, 2019; Yotsumoto and Vafadari, 2020).

Considering the economic opportunities generated by tourism, national governments make efforts to develop the industry as a source of economic expansion and rural development (UNWTO, 2018). After independence the Government of Tajikistan also tried to develop the tourism sector to create employment opportunities and improve living standards in the country. For this, national development programs that define the



priorities and goals of the country, including tourism, have been developed and the necessary policy measures have been adopted. The main objectives of the tourism development programs are to create favorable legal, institutional, and economic environments for tourism development and to increase its contribution to socio-economic livelihoods, especially in rural areas (GoT, 2018).

Implementation of the national development programs and plans for the socio-economic development of Tajikistan has ensured macroeconomic stability and economic growth (GoT, 2016). The poverty rate declined from 53.5% in 2009 to 26.3% 2019 (World Bank, 2020) and GDP per capita increased from 3286 Somoni in 2010 (USD333) to 7789 Somoni (USD790) in 2020 (MEDT, 2021). Similarly, implementation of tourism development programs has increased the number of inbound tourists to the country. According to the Committee of Tourism Development under the Government of Tajikistan (CTD) these had reached 1.25 million by 2019. However, poor tourism infrastructure, the poor quality of services in the tourism sector, a lack of funding and investment, and a lack of professional human resources are the main challenges in tourism and rural development in Tajikistan, as in other developing countries.

## **1.2 Research problem**

Studies of the social economic impact of tourism claim that it is a tool for development, an approach to poverty reduction, and an antidote against rural decline (Marte, 2013; Alaeddinoglu et al. 2016; Hurma et al. 2016; UNWTO, 2017). However, most of these arguments are based on macroeconomic data and economic modeling and might not necessarily reflect the reality of developing countries (Comerio and Strozzi, 2018; Carrillo-Hidalgo and Pulido-Fernández, 2019), because in most these countries tourism

statistics are underdeveloped (UNWTO, 2008, 2017). Moreover, one of the sources for implementation of the development programs is defined foreign aid and investment, but there is little research on the relationship of tourism and foreign capital attraction to rural areas in developing countries. The basic questions are does tourism attract FDI and foreign aid to rural areas in developing countries, and more importantly how to benefit from tourism when economic (financial) resources are limited? Which is the case in most developing countries. The present study is an attempt to find answers to these questions.

Developing countries, despite their geographical location and tourism potential, face similar challenges regarding rural problems (Charles, 2019; Degarege and Lovelock, 2018) These include undeveloped infrastructure, lack of employment opportunities, high migration, weak awareness of local and foreign businesses of the business opportunities, lack of coordination in planning and management, lack of research and scientific capacity, and other challenges that hinder internal regional development (Soressa, 2018; UNWTO, 2017; Singh et al, 2016; Sutawa, 2012).

This study is based on the case study of 38 districts and towns in four local regions of the Central Asian Republic of Tajikistan and tries to shed lights on these questions in relation to this area. The results though have wider ramifications in the developing countries of Asia Pacific Region as this thesis shows.

### **1.3 Research focus**

Tourism is a broad and interdisciplinary field (Jafari, 1981). Economists evaluate tourism in terms of its contribution to the economic development of a destination, supply, demand, balance of payments, financial and economic indicators, and employment. Sociologists and cultural scientists' study tourism from the perspectives of tourist behavior

(individuals and groups), lifestyles, customs, and traditions. Geographers deal with the spatial aspects of tourism, the direction of tourist flows and their dispersal in territories, pressure on resources and land use, changes in the physical environment and so on (Leiper, 1979; Esteban, 2007; Tribe, 2016).

Based on the social-economic impact of the industry on destinations a new form of tourism emerged in the 1970s (Lane, 1994). International organizations and national governments began to develop and utilize tourism as a source for rural development, particularly employment creation, improvement of living standards, and prevention of rural-urban migration (UNWTO, 2017). To take advantage of this attention on tourism, the focus of this research is on defining its role in rural development in developing countries by using a case study strategy with mixed method techniques. In particular, this research explores the impact of tourism on the development of local infrastructure, the creation of employment, the development of entrepreneurship, the preservation of cultural and natural resources, the attraction of investment to local regions, and the improvement of living standards.

#### **1.4 Research aims, objectives, and questions**

An overview of tourism development in Tajikistan shows that implementation of the industry development program and policies has increased the number of tourists to the country, which for the first time in history passed 1.25 million in 2019 (CTD, 2020). According to the Committee of Tourism Development the share of tourism in GDP was estimated at around 6 percent in 2019. According to earlier studies tourism creates around 20,000 jobs in the country (Dermastia et al, 2017). However, there has not been any systematic and thorough study of the impact of tourism on rural areas in Tajikistan so to

take advantage of this industry additional research and investment are crucial. This study is a first attempt to analyze and define the role of tourism in rural development in Tajikistan and bring new ideas to rural development knowledge through tourism.

Thus, the overall aims of this study are to explore the role of tourism on rural development based on a case study of Tajikistan and to develop recommendations for rural development through tourism in developing countries. To satisfy these aims the study seeks:

1. To understand the prerequisites of tourism and rural development;
2. To examine the role of tourism in foreign aid and investment attraction to rural areas;
3. To analyze the evolution and development of tourism in rural areas of Tajikistan from its early stages;
4. To analyze the role of tourism in rural development in Tajikistan;
5. To identify the potential and challenges of rural tourism development in Tajikistan;
6. To formulate recommendations based on the above for tourism and rural development in Tajikistan.

These objectives are further grouped into two sets, 1-2 and 3-6. The first group is explored through a review of the existing literature, legislation, local government reports, and other available sources of information on tourism and rural development. For the second group of objectives, online interviews, and a survey of the main policy makers in Tajikistan, local stakeholders, and the staff of local municipalities are used to tie the general objectives to the situation of Tajikistan.

To achieve the overall aims of the study the following research questions guide the analysis:

1. What are the impacts of tourism on rural areas in developing countries?
2. What is the role of foreign aid and investment in tourism and rural development?
3. What are the background and prerequisites for tourism based rural development in general?
4. What is the background of tourism development in Tajikistan?
5. What are the potentials and challenges of rural tourism development in Tajikistan?
6. How has Tajikistan designed its rural development through tourism?
7. What are the impacts of tourism development in rural areas of Tajikistan?

### **1.5 Methodology**

This research is a case study of tourism in the rural areas of Tajikistan. Based on the objectives of the research a case study methodology is appropriate for this investigation (Yin, 2017). Case studies are widely used in scientific research, including tourism (Dul and Hak, 2008; Gerring, 2017; Nunkoo, 2018). The applicability of case studies as an approach in tourism research is supported by a wide circle of researchers. According to Nunkoo (2018, p.15) “the case study method possesses certain characteristics that support its use as a valid methodological tool in tourism research”. Yin (2003, pp.1-2) also writes that “the distinctive need for a case study arises out of the desire to understand complex social phenomena”, and that the “case study method allows investigators to retain the holistic and meaningful characteristics of real-life events.

A review of the literature shows that the impact of tourism on development is mainly estimated in developed economies using analytical models such as the Input-

Output model and the Computed General Equilibrium model, both of which require longitudinal tourism statistics. For preference a Tourism Satellite Account (TSA) is constructed (Comerio and Strozzi, 2018). However, the TSA and other tourism statistics are not available in most developing countries (UN and UNSD, 2010). Moreover, the TSA is based on national level data and cannot be used for local level assessment (Hsu, 2019). Thus, underdeveloped tourism statistics is one of the major constraints when trying to define the role of tourism for rural development in developing countries. Considering these problems, based on the analysis of the existing literature and the recommended methodological framework of the Tourism Satellite Account developed by OECD, UNWTO and UNSD in 2001, a special questionnaire was designed that examines the influence of tourism on the social economic development of rural areas in Tajikistan without requiring a TSA.

This research uses both qualitative and quantitative data. Primary data were collected through surveys of stakeholders and the staff of local municipalities, organized in two rounds. The first included central governmental organization employees, state and national university professors and tour companies in Tajikistan. The second round covered the employees of local municipalities, local stakeholders, and tour companies in the local regions. These agencies were chosen because they are the main agencies for tourism and rural development, as well as its implementing organizations. Supporting secondary data were gathered from government publications, websites, books, journal articles, and all other available resources in APU and online. Finally, to determine the impact of tourism in rural areas a case study of 38 districts and towns of Tajikistan was carried out.

The data were analyzed using descriptive analysis techniques. The few available quantitative data were tabulated and summarized to see emerging trends. Then using inferential statistics, the influence of tourism on the social economic development of rural areas is estimated. Also, a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis is used to define the potentials and challenges of tourism and rural development.

### **1.6 Rationale for the research**

Developing countries have a rich potential for social-economic development and poverty alleviation using tourism if they have interesting destinations (UNWTO, 2018). For instance, in the case of Tajikistan its historical and cultural heritage, distinct nature with unique lakes, rare animals, and plants, as well as high mountains, are important for the development of tourism and economic growth in rural areas (GoT, 2018). These resources can be used for social economic development and the improvement of living standards. In particular, it may be possible for rural areas to strengthen their capacity to attract investment, improve local infrastructure, and develop a tourism industry that will create new jobs, to prevent high levels of migration from rural areas, and eliminate poverty. However, these outcomes require from local government (as well as the community) skills and experience, management capacity in local areas, and more importantly the use of scarce financial resources for investment in the development of tourism facilities.

Tourism is identified as a promising solution for rural development but suffers from challenges found in the economic character of the country. Taking this into account, the Government of Tajikistan has adopted policies which give tax and customs privileges to attract foreign and local investment into the tourism sector. Specifically, tourism

enterprises and companies are freed from tax in their first five years of operation, and the import of equipment and materials for the tourism industry is exempted from value added tax and customs duties (GoT, 2018). Also, the President of the Republic of Tajikistan announced that the period 2019-2021 was to be “The years of rural, tourism and folkcraft development in Tajikistan” (Rahmon, 2018), which gave a new impulse to tourism development in the country. This has stimulated public and private investment in the tourism industry and increased the number of enterprises in the tourism sector to 500 (CTD, 2021). Also, the number of tour companies increased to 237 in 2021, twice as many as in 2017. Similarly, the number of tourists to the country increased by 3 times, reaching 1.25 million in 2019 (CTD, 2020). The main tourism destinations are rural local regions, especially the Pamir mountains in GBAO and the Zarafshon valley in the Sughd region. However, there is not sufficient research on the role of tourism in rural development and this is the reason this study explores the case of Tajikistan.

### **1.7 Significance of the research**

This study makes a substantial contribution to the existing knowledge on the impact of tourism in rural areas and its estimation in developing countries. The literature on tourism and rural development shows that in most cases the impact of tourism on the socio-economic development of rural areas/communities is estimated based on available macroeconomic data and modeling, which requires dedicated tourism statistics and preferably a TSA (Carrillo-Hidalgo and Pulido-Fernández, 2012, 2016, 2019; Comerio and Strozzi, 2018, Hsu, 2019). Moreover, the data and evidence for tourism and rural development do not necessarily reflect community perspectives (Carrillo-Hidalgo and



Pulido-Fernández, 2019) even in developed economies. Studies from rural areas of developing countries on the other hand are generally qualitative.

By applying case study methodology in a mixed methods approach and to reduce the gap in reliable indicator coverage this study extends the simple supply and sectoral approach proposed by Madsen and Zhang (2010) to the use of limited micro-data and validates its applicability in developing countries with restricted data gathering capacity. Results of the study can be used by academician, practitioners and policy makers for tourism impact assessment in rural areas, particularly in developing countries where tourism statistics are underdeveloped. Another contribution of this study is that it explores a newly emerging tourism destination in Central Asia, which is developing in a sustainable way. Furthermore, the information and empirical data gathered and analyzed in this research may serve as a valuable source of information for future studies on tourism and rural development inquires in developing countries like Tajikistan.

### **1.8 Practical implications**

The practical significance of the research lies in the fact that its main findings are formulated in the form of policy recommendations that can be used by the authorities in the development of programs and plans for tourism and rural development in developing countries. The findings of this study, especially the potentials and challenges defined in this research, are being implemented in the Tourism development program of Tajikistan as a valid set of recommendations for better planning and policy adoption.

### **1.9 Structure of the thesis**

This thesis consists of seven chapters. Chapter 1 provides general information about the research background, the overall aim and objectives and the research questions. The significance and rationale of the study are also highlighted in this chapter. Chapter 2 reviews and discusses the themes and concepts relating to the subject of the study and frames the theoretical and conceptual background for this study. Also, this chapter defines the research gap that this study attempts to fill. Chapter 3 then provides detailed information about the methods and approaches used for data collection, research design, sample size and data analysis. Chapter 4 overviews tourism development in Tajikistan from its historical perspective and gives detailed information about the emergence of tourism in rural areas and its development there from the beginning. It reviews tourism development in the Soviet Union period and discusses the trends emerging in the period of independence of Tajikistan. Chapter 5 is based on empirical data from 38 districts and towns and explores the impact of tourism on rural development in Tajikistan, generalizing this to rural development approaches in developing countries. Chapter 6 is based on the SWOT analysis and discusses the potentials and challenges of tourism and rural development in Tajikistan. Although, all chapters individually contribute to the achievement of the specific aims of the study, a particularly valuable part of this research relates to chapters 5 and 6 that explore the role of tourism in rural development and highlights the potentials and challenges of tourism development in Tajikistan. Chapter 7 discusses the finding, concludes the study, and provides recommendations for the development of rural areas through tourism in Tajikistan. Also, this chapter discusses the theoretical and practical implication of the study and highlights its limitations.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 Introduction**

The phenomenon of the rapid development of the tourism industry in the world at the end of the 20th century and its role and significance in the socio-economic development of many countries had a significant impact on the growth of research in the field, on its scientific definition, its prospects, and the directions of its development (Jafari, 1981; Leiper, 1979a; Tribe, 1997). Since tourism involves travel with the aim of leisure, recreation, business, and other purposes, determining its theoretical framework and its significance is crucial.

At the beginning, the study of tourism was based on the knowledge and experience of travelers (Jafari, 1981; Robinson and Luck, 2013). This understanding is also supported by Panosso (2005), who argues that tourism was not born from a theory but from human practice: men and women who acted at their premises; and individuals who experienced something different from what they were used to do and who were far away from their usual residence. Thus, we can conclude that all theoretical exposition that tries to understand this phenomenon does not construct it, and only seeks to explain and interpret it and not create it (Panosso, 2005 p.24 cited in Esteban et al. 2015). Reliable research on tourism has emerged in the second half of the twentieth century, and has helped consolidate the definitions of this activity (Esteban et al. 2015; Graburn et al.1991; Robinson et al.2013; Babu et al. 2008). Current research on tourism tries to show and explain the relationship of the field with other disciplines, but an independent epistemological structure of tourism has not yet been reached. Smith (1989) states that tourism "... is what people believe it is".

There are also opinions that tourism was formulated only in relation to certain areas of theory and practice, especially economics, sociology, cultural and historical studies, anthropology, geography, and environment (Esteban et al. 2015; Graburn and Jafari, 1991; Leiper, 1979a; Robinson, 2012; Tribe, 2020). Economists evaluated tourism in terms of its contribution to the economic development of a destination, supply and demand, balance of payments, financial and economic indicators, and employment. Sociologists and cultural scientists studied tourism from the perspective of tourist behavior (individuals and groups), lifestyles, customs, and traditions. Geographers dealt with the spatial aspects of tourism, the direction of tourist flows and their dispersal across landscapes, pressure on resources and land use, and changes in the physical environment (Alvaro, 2011; Esteban et al. 2015; Goeldner et al. 2011; Tribe, 2020). In general, there were two types of tourism definitions used in earlier studies, each with its own meaning; these were conceptual and technical. Conceptual definitions build on the theoretical framework of tourism to identify its basic characteristics, allowing us to distinguish between tourism and other related concepts (Esteban et al. 2015), while technical definitions look at specific subsectors to build a better picture of the components of the industry.

Among the forms of tourism gaining recognition worldwide is rural tourism. Rural tourism is defined as a tourism that takes place in rural areas outside cities and other urbanized locations (Jafari, 1981; Lane, 1994; Che et al, 2005). However, for rural tourism to be successful it cannot stand alone and should be integrated into the socio-economic programs of those rural areas seeking to sell their tourism products (Wilson et al, 2001). These include a variety of services like infrastructure, transportation, food and beverages, tourist information centers, accommodation, adventure activities, souvenirs,

and others (Neumeier and Pollermann, 2014; Oriade and Robinson, 2017; Wilson et al. 2001). The main purpose of the literature review in this chapter is to define the role of tourism in development in general and in rural and community development in particular. This review defines the conceptual and theoretical framework of tourism and development, discusses the types and forms of tourism that can be offered for rural development, highlights and discusses the prerequisites of rural tourism development, analyzes and assesses the impact of tourism in the social-economic development of destinations, and defines the challenges that developing countries face in the tourism and rural development process. Considering the social-economic issues in developing countries, particularly lack of financial resources, this review also analyses the role of capital inflows (foreign aid and FDI) in tourism and rural development in developing countries and defines the factors behind its successes and failures.

## **2.2 The conceptual and theoretical framework**

### **2.2.1 Tourism terms and definitions**

While the term tourism as a social-economic phenomenon has a long history it does not yet have a concrete and universally accepted definition (Esteban, 2015), especially in Tajikistan. In the existing literature, tourism is interpreted differently by various organizations and institutions, so it is necessary to fully define what is being discussed to set the scene for this research. Tourism includes traveling for holidays, business trips, travel for personal capacity building, visits to friends and relatives, travel for sport, health and recreational trips, and pilgrimage and travel for other purposes that are planned but not for economic or income generation purposes. In addition to the scholar's needs for formalization of the terms '*tourism*' and '*tourist*', government agencies and international

organizations of the tourism industry also require closer definition. The United Nations World Tourism Organization (UNWTO) as a leading international organization in the field of tourism, prepared in 2001 the “*Thesaurus on tourism and leisure activities*”, which defines tourism as a category of travel with distinguishing characteristics (UNWTO, 2001).

According to Robinson and Luck (2013) the word ‘tour’ originates from the Latin word “tornare” and Greek word “tornos”, which means “a lathe or circle, or the movement around a central point or axis. The suffix – ‘ism’ is defined as “an action or process; typical behavior or quality” whereas the suffix – ‘ist’ denotes one that performs a given action. When the word tour and the suffixes – ‘ism’ and – ‘ist’ are combined, they suggest the action of movement around a circle” (Robinson and Luck, 2013, p. 9). From this point of view “tourism” can be interpreted as a movement around a circle, which is ultimately bring the traveler back to his/her starting point. So, a person, who moves around this circle or in other words, travels throughout certain destination and comes back is called a “tourist” (Robinson and Luck, 2013). One of the earliest attempts at definition defines tourism as the “sum of the phenomena and relationships arising from the travel and stay of non-residents, insofar as they do not lead to permanent and are not connected with any earning activity” (Hunziker and Krapf, 1942 cited at Esteban et al. 2015). However, there are beliefs that the earliest definition of tourism can be found in the “*Dictionnaire universal du XIX siècle* in 1876” that identifies tourists as “persons who travel out of curiosity and idleness” (Robinson and Luck, 2013 p.10).

The scientific definition of tourism face problems of the delineation of a complex activity because it covers both activity and experience of people. According to Williams (2004) “tourism is an activity and experience which tends to create complex economic,

social environment and social processes and outcomes between travelers, hosts, service providers and environment”. Medlik and Middleton (1973) state that “tourism is an amalgam of various services therefore two difficulties occur in the process of tourism conceptualization, especially on determining the boundaries and resources of tourism”. Furthermore, tourism must be distinguished from the demand and supply side. Lieper (1979 p. 400) defines tourism “as a range of individuals, businesses, organizations and places that in some way combine to offer a travel experience to individuals engaged with them”. Krippendorf (1999 p.19) states that the tourism industry covers “travel agencies, transport companies, catering and event management companies, constructors of second homes, manufacturers of equipment for camping and caravans, consultants of planning, architects, cable car makers, the textile industry and clothes for skiing, souvenir shops, casinos and amusement parks, auto industry, banks, insurance companies, etc.”. From the demand side tourism may be referred to as the lived experiences in different places and the interaction that takes place in these destinations (Ryan, 1995).

These examples show that tourism elements or components are consistent with the supply and demand theories of the research on leisure and entertainment. Consequently, the diverse set of definitions of tourism oblige scholars to argue that the term ‘tourism’ is the vaguest of all the terms used in the study of this industry.

Describing the concept of ‘travel’ it should be noted that an abundance of definitions that overlap each other also can be found, and there are definitions of travel in both the narrow and the broad sense. Some experts tend to equate the terms tourism and travel (Mancini, 2005) but others equate ‘travel’ and ‘transportation’, and still others state that tourism includes all types of tourism activities that are not related to transportation (Theobald, 2005). There is also the opinion that says that the term ‘tourism’ means travel

for the purpose of recreation and entertainment, since the image of a tourist is strongly associated with their desire for pleasure, and not with business, education, or scientific research as motives for traveling. The variety of interpretations of tourism has therefore encouraged scholars to use the combined term travel and tourism without introducing distinctions between the two components (Jafari, 1977; Theobald, 2005 p.8).

### **2.2.2 Types of tourism**

Nevertheless, as already noted, there are various interpretations of tourism that are determined based on different criteria, because the motives of tourists for travel vary based on their different characteristics, classifications, principles, and attributes of themselves and destinations. These interpretations can be categorized by social, economic, cultural, environmental, geographical, and other characteristics. Thus, the UNWTO “Thesaurus on tourism and leisure activities” contains about 200 terms that reflect the essence of the forms of international tourism (UNWTO, 2001). However, the following are the main types of tourism classified according to the needs of travelers. Based on the desire and movements of tourists, the industry is categorized into main two types, domestic and international, but the same resources are used by domestic tourist as by international tourist. Nevertheless, for technical and statistical purposes the UNWTO categorizes tourism to three types: domestic, inbound, and outbound, the last two are international tourism.

- **Domestic tourism** includes traveling by the residents of a country within the boundaries of that country. For example, residents of Japan traveling within their own country as tourists;



- **Inbound tourism** involves travel by people not permanently living in the country of destination. For example, residents of Tajikistan travel to Japan are counted as inbound tourism for Japan, but outbound for Tajikistan;
- **Outbound tourism** embraces traveling of the permanent residents of a country to another country. Since inbound and outbound tourism cross national boundaries they are both included in the category of international tourism (UNWTO, 2017).

In this study the focus is on both domestic and international tourists and their effect on rural development in the developing world.

### 2.2.3 Defining development

Turning now to definitions of the term *development* we find that this concept is also not defined conclusively. Traditionally development is defined by economic growth. “As the national economy grows, the national productive capacity increases and, as long as output grows at a faster rate than the population growth rate, then development is assumed to be the inevitable consequence” (Sharpley and Telfer, 2015). In short, development is defined as a movement from one condition to another, comparatively better and as a ‘philosophical concept’ moving to a desirable future (Robinson et al. 2013). More broadly, the term development is used interchangeably with growth, progress, output, and positive transformation (Mabogunje, 1980). Until 1980 development was defined traditionally, as being based on GDP per capita growth (Rostow, 1960). It was

argued that when an annual GDP per capita growth rate of 5-7% is seen (Todaro, 2000) and modernization of the political, social economic structure has happened, then development is going to occur (Sharpley and Telfer, 2015).

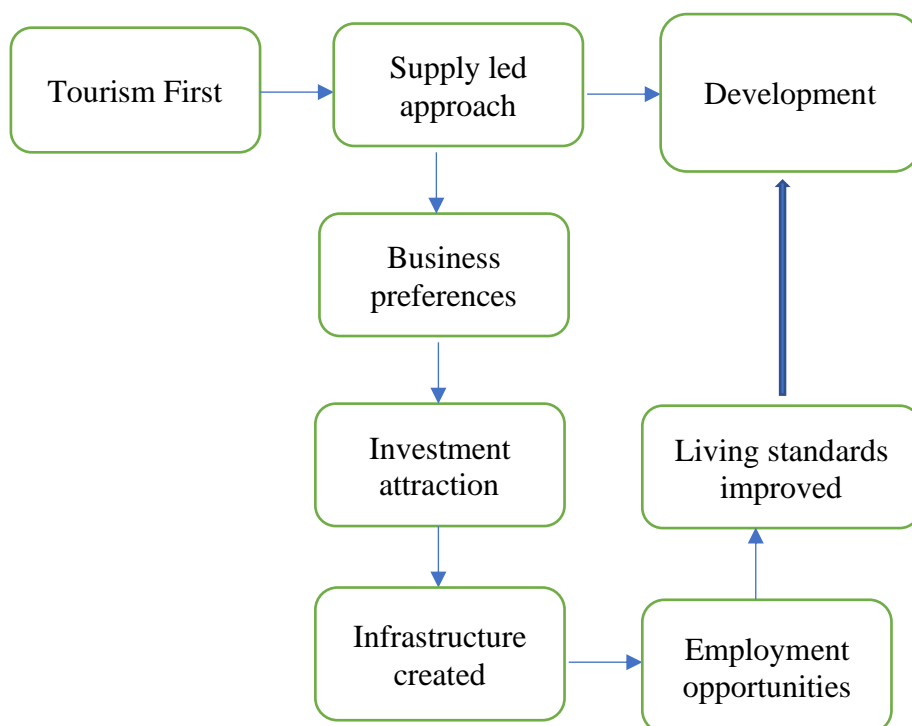
Although economic growth remains the fundamental perspective for development it is criticized for its deterministic and technical features (Mcgillivray, 2003). Moreover, though some countries achieved economic growth, the living standards of most of the population did not change significantly (Todaro, 2000). So, the issue of economically determining development was challenged by academicians. For example, Seers (1977) suggests that in defining development at least three questions should be asked: “What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have declined from high levels, then beyond doubt this has been a period of development for the country concerned”. Thus, by the end of the 20<sup>th</sup> century the term development became much broader and included social and political objectives, especially education, health care, justice, freedom, housing, access to clean water, and other social services (Harrison, 1998; Whitfield, 2009). According to Dickenson et al. (1983) implementation of the US Marshal Plan in Europe became one of the three major influences on the emergence of development theories and paradigms after World War II. The other two are: an optimistic view of the future; and a sense of rising determination by colonies to follow a path to independence. These influences led to increase in the amount of research on the impact of foreign aid and foreign investment in developing countries, which is discussed in the next section.

#### **2.2.4 Conceptual framework**

Tourism is a mass phenomenon, a form of recreation, a way of better knowing the world around us, a way of building regional, interregional, and international cooperation, services and entrepreneurship, as well as being part of regional and state policies for the preservation of natural and cultural resources and the improvement of well-being. Conceptually, the existing literature defines and describes tourism as a new approach to economic development, especially in developing countries (Sharpley and Telfer, 2015, Saarinen & Lenao, 2014; Esteban, 2015; Nooripoor et al. 2020). The development of tourism can also serve as a source of foreign exchange, as an engine for employment creation, as a promoter of exports, as a tool for rural development, as a preventive action for emigration (Alaeddinoglu et al. 2016), as a strategy for poverty reduction, and as a factor for living standards improvement (UNWTO, 2013). In the beginning, the study of tourism was based on the knowledge and experience of travelers (Jafari, 1981; Robinson and Luck, 2013). This understanding was also supported by Panosso (2005), who argued that tourism was not born from theory but from human practice; men and women who acted at their premises, and individuals who experienced something different from what they were used to do and who were far away from their usual residence. Thus, we can justify the approach that suggests all theoretical exposition tries to understand this phenomenon and not to construct it and seeks to explain and interpret it and not create it (Panosso, 2005 p.24 cited in Esteban et al, 2015).

Considering the existing concepts and theories in the tourism field the following conceptual framework is therefore presented (Figure 2.1):

Figure 2.1 Proposed conceptual model



Source: Burns, 1999, modified by the Author.

### 2.2.5 Theoretical underpinnings

The increased attention from governments and academicians on the benefits of tourism has thus become a subject of research by scientists. Governments in developing countries routinely include tourism development measures in their development programs as a tool for poverty reduction (Ibanescu et al., 2018). Also, this increasingly directs investment and foreign aid to the tourism sector. International organization and donor countries now implement projects with the aim of tourism development as livelihood improvement measures (Hawkins and Mann, 2007). De Kadt's (1976) "Tourism: Passport to Development?" is an early discussion of this approach. De Kadt's research shows

uncertainty about tourism as a development agent in the 1970s as can be seen from the title of his book. He stated that the claims about the benefits of tourism are economic, mainly foreign exchange earnings, but neglect the social and cultural consequences in destinations. Tourism has also been criticized due to the high leakage and lower multiplier effect in developing countries resulting from dependence on the developed countries, and this led to dependency theory (Bryden, 1973).

Britton (1982), using the dependency model, stated that tourism is often overvalued in the sense of economic benefits. He claimed that it may increase inequality if residents are not involved, and local resources are not distributed and utilized properly. These uncertainties further encouraged scholars to study the consequences of tourism from anthropological and sociological perspectives (Burns, 1999; Graburn and Jafari, 1991).

Tourism has also been studied through the uses of different paradigms. In the 1970s and 1980s tourism was studied through the modernization and dependency paradigms to contrast the theories of political economy with those of tourism (Clancy, 1999). Modernization was defined as socio-economic development path on which societies shift from the traditional to a modern configuration. For instance, a shift from agriculture to the industrial sector and from rural areas to urban (Sharpley and Telfer, 2015). Tourism also has been promoted as an approach to the transfer of technology, as a way to develop infrastructure, as a regional development tool and other economic benefits that it may bring to tourism destinations. In accordance with the modernization paradigm the focus of development in tourism is linked to large scale mass tourism and economic development programs. Furthermore, the foreign aid and investment that developing countries require is also seen within the modernization paradigm as a way to

create preconditions for development and the expansion of the opportunities for local people (Sharpley and Tefler, 2002).

However, the modernization paradigm has been criticized during discussions on the dependency paradigm, arguing that the foreign aid and investment made to developing countries keeps them dependent on the developed countries (Todaro, 2000). The dependency paradigm has been used by different scholars in tourism studies. According to Lea (1988) the main claim is in the organization of tourism industry and in the structure of a countries' economy. The more developing countries depend on external factors the less will development be achieved. Some authors even argued that multinational corporations have led to the under-development of the Third World (Sharpley and Tefler, 2015). The leading role of the developed world lies in its control over the main tourism industries such as airlines, cruise ships, tour wholesaling, tour operators and hotel chains. The domination of this in the tourism industry allows them to control and coordinate the market in the developing world (Britton, 1982).

The underpinning of tourism by development theories is broadly discussed in the scholarly literature (Archer, 1972; Archer, 1980; Butler, 1980; Jafari, 1981; Britton, 1982; Cooper, 1982; Preston, 1996; Tribe, 1997; Simon, 1997; Burns, 1999; Sharpley and Tefler, 2002; Esteban et al. 2015; Sharpley and Telfer, 2015). These works seek to explain the relationship of tourism to development. In the earliest period development theories were originally simply based on the economic growth model, but more recently have been broadened to describe more holistic social changes (Simon, 1997; Sharpley and Telfer, 2002). As was mentioned earlier in this chapter the term 'development' generally means transition from one condition to a comparatively better one, which makes living standards better or expands the the range of socio-economic activities available in an area

(Sharpley and Telfer, 2002; Whitfield, 2009). Considering the economic benefits of tourism, particularly as a source of foreign exchange, income, and employment in destination areas, we assume that it can be an effective means for development, especially for economic growth and poverty alleviation (Oppermann and Chon, 1997; Lane, 1994). Tourism motivates destination economies through additional demand and its multiplier effect (Davis, 1968; Archer, 1972; Erbes, 1973; Bryden, 1973; Peppelenbosch and Templeman, 1973). Butler (1980) developed a “tourism area life cycle” model, which defines the stages of the tourism development and associates any increase in the number of tourists with social economic expansion in the tourist destination. According to the Butler’s model a tourist destination in the initial stages attracts a small number of tourists, mainly individuals with modest financial spending. This stage is defined as “exploration”. In the second stage of “involvement” number of tourists increases and consequently the number of small and medium enterprises in the sector increases. The third stage is “development,” which attracts high income tourists and the number of tourist facilities increases again, which leads to the creation of new businesses, employment and an increase in the income of local people. In the “consolidation” stage tourism will develop steadily but the number of tourists may slightly decrease compared to the “development” stage and this is followed by the “stagnation” stage, where the number of tourists decreases and the industry suffers from the lack of visitors. During this stage governments may invest in the sector for “rejuvenation”. These thoughts and ideas have connected tourism to existing development theories and strengthened the belief of international organizations in its ability to survive and grow, so that recognition persuades governments and international organizations to start financing tourism as a main means of development (Christie and Chompson, 2001; Hawkins and Mann, 2007).

Similarly, Burns (1999) suggestion of “Tourism First” or “Development First” is an important concept for governments to consider in tourism development planning and policy. The “Tourism First” idea suggests destinations should focus on establishing the industry, supply-led approach to tourism development, whereas the “Development First” focus is on the achievement of the national development objectives. Considering Burns’ description, in most developing countries where tourism is mainly seen as an economic contributor and as a tool for poverty alleviation, Master plan goals are firmly based on the “Tourism First” approach. For instance, in the case of Tajikistan the focus on tourism development is more for rural/local development (NDS, 2030; TDS; 2030). Burns (1999, p.346) concludes that “the main generalization is not that tourism does not work or that it is in any sense inherently damaging”, but that by considering the fact that economic value is important only through this will tourism provide a rationale for the conservation of culture and environment.

Similar to the development theories which explain development as a shift from one condition to another, rural tourism development theories also can be understood or explained based on particularly on theories of supply and demand, entrepreneurship, management and marketing (Kordel, 2016; Streimikiene and Bilan, 2015). This is supported by the fact that the development of rural tourism has transformed or diversified destination economies from traditional agriculture to a secondary or services industry (tertiary) economy. For instance, manufacture of the agriculture and adding value to the local products and further selling them as a souvenirs. Thus, rural tourism development theories are very closely related to economic and sociological theories and are generally based on these Streimikiene and Bilan (2015) analyze rural tourism development theories and conclude that these can be understood based on supply and demand factors, where



supply factors are tourism providers and tourism resources, and demand factors are based on the motives of consumers or tourists. In other words, rural tourism theories explain how rural tourism diversifies or expands the rural economy, adds value and selling products and services that are produced rurally or have the origin of rurality (Paniccia and Leoni, 2019; Hsu, 2019; Kordel, 2016). Besides, considering rural development challenges in the expanding economic gap between cities and countryside, rural tourism becomes a well-known mechanism for stimulating development in remote and isolated rural areas (Neumeier and Pollermann, 2014).

## **2.3 Rural tourism and development**

### **2.3.1 Defining rurality**

Rural development basically guides the improvement of well-being in rural areas, especially the creation of employment opportunities and the development of socio-economic infrastructure (Redman, 1980). There is no unique definition of rural development, but one that reflects its character and that is suitable for the developing countries, especially for Tajikistan environment is offered by Dower et al. (2003 p. 4), where they say that “Rural development is a deliberate process of sustained and sustainable economic, social, political, cultural and environmental change, designed to improve the quality of life of rural people”.

Therefore, countries may try to adopt and implement rural development strategies and programs to improve socio-economic well-being, develop local infrastructure, and create new jobs for relatively isolated rural areas (Chambers, 1983). In the developing countries the terms of rural development also include poverty reduction and improving living standards in rural areas. By rural areas is meant countryside and remote

mountainous territories that are far from big cities and towns (Redman, 1980). Other characteristics that define rural areas include the fact that the majority of the population works in agriculture or elsewhere in the primary sector and mainly depends on natural resources (Brunner, 2019; Chambers, 1983; Ellis and Biggs, 2001). This is one of the main problems that makes rural areas vulnerable. However, these characteristics are not found in all rural areas, because the problems of rural areas vary based on their geographical location and natural resources (Chambers, 1983). Also, in some countries rural areas are defined based on population density. For example, in European countries rural areas are partly defined based on population density (from 5 to 10 thousand people) and the number of inhabitants per square kilometer (Lane, 1994).

The obvious pattern that is common for rural areas is that they have been losing population over a long period due to their narrowly-based economy and lack of public services and low income (Charles, 2019). The above-mentioned problems are seen in remote and poorly rural areas. By contrast rural areas that are close to big cities face other problems like losing their land to urban creep or their jobs in the agriculture sector. This is because city workers look for a quieter place near their cities or their enterprises move out to the outskirts increasing land prices for local people (Dower et al, 2003). These and other factors lead to rapid changes in the social and economic situation of rural areas and encourage local governments to think about the diversification of their economy. Especially, shifting from traditional economy to the secondary economy or the tertiary economy based on tourism. While the agriculture sector can be important, and industry and production will be based on it, they can add value to their products. Moreover, globalization, new technologies and industrialization increases the demand for labor and the shifts of rural people to urban areas (Charles, 2019; Stenning, 2013). So, for these

reasons the economic components of rural areas have changed from a traditional, agriculture-based economy to a secondary economy with a wider concern on improving living standards in rural areas.

### **2.3.2 Defining rural tourism**

The main aim of rural tourism development is improving the living standards of local people, through the stimulation of small and medium enterprises, and the formulation of new economic means (Lane, 1994). Rural tourism is seen as an effective tool for the development of rural areas, especially the commercialization of agricultural products, diversification of the local economy and expansion of the social economic activities (Gannon, 1994). According to William (1998) the popularization of recreation, leisure and rural areas is linked to Thomas Cook's first excursions in "19<sup>th</sup> century Victorian England". Cook conducted its first organized tour to the countryside in the 1840s and is known as a pioneer of tour packages and an initiator of the mass tourism industry. Further, development of public infrastructure, especially railways, the emergence of the middle class, and other technological advancements led to the early appearance of rural tourism (Lane, 1994). The flow of visitors to rural areas and their expenditures increased the demand for local goods and services. This contributed to the increasing production of local products, the creation of new jobs and increased the economic benefits of people living in rural areas (UNWTO, 2018; Gannon, 1994).

Rural tourism is seen as a generalizing term combining various forms of organized tourism that takes place in rural areas (Graburn and Jafari, 1991; Jafari, 1981; Lane, 1994). Gannon (1994) describes rural tourism as a set of businesses provided by farmers and rural people to attract tourists to their area to generate sales of their goods and services.

The UNWTO (2017) defines rural tourism as an activity or experience of rurality and all that it encompasses in relation to authenticity, tradition, culture, nature, and the environment of rural areas. Killon (2001 p.167) gives the following definition: “Rural tourism is a multifaceted activity that takes place in an environment outside heavily urbanized areas. It is an industry sector characterized by small-scale tourism businesses, set in areas where land is dominated by agricultural pursuits...It should be seen as offering a different range of experiences...[where] the emphasis...is on the tourist’s experience of the products and activities of rural areas”.

However, the most used definition for rural tourism that has been accepted in scientific circles and international organizations is one that was proposed by the Organization for Economic Cooperation and Development (OECD). This has the following characteristics: “located in rural areas; functionally rural and built upon the rural world’s special features: small scale enterprise, open space, contact with nature and the natural world, heritage, traditional societies and practices; rural in scale, both in terms of buildings and settlements, and usually small; traditional in character, growing slowly and organically, and connected with local families. It is often largely controlled locally and developed for the long term good of the area; Sustainable in the sense that its development should help sustain the special rural character of an area, and in the sense that its development should be sustainable in its use of resources” (OECD, 1996).

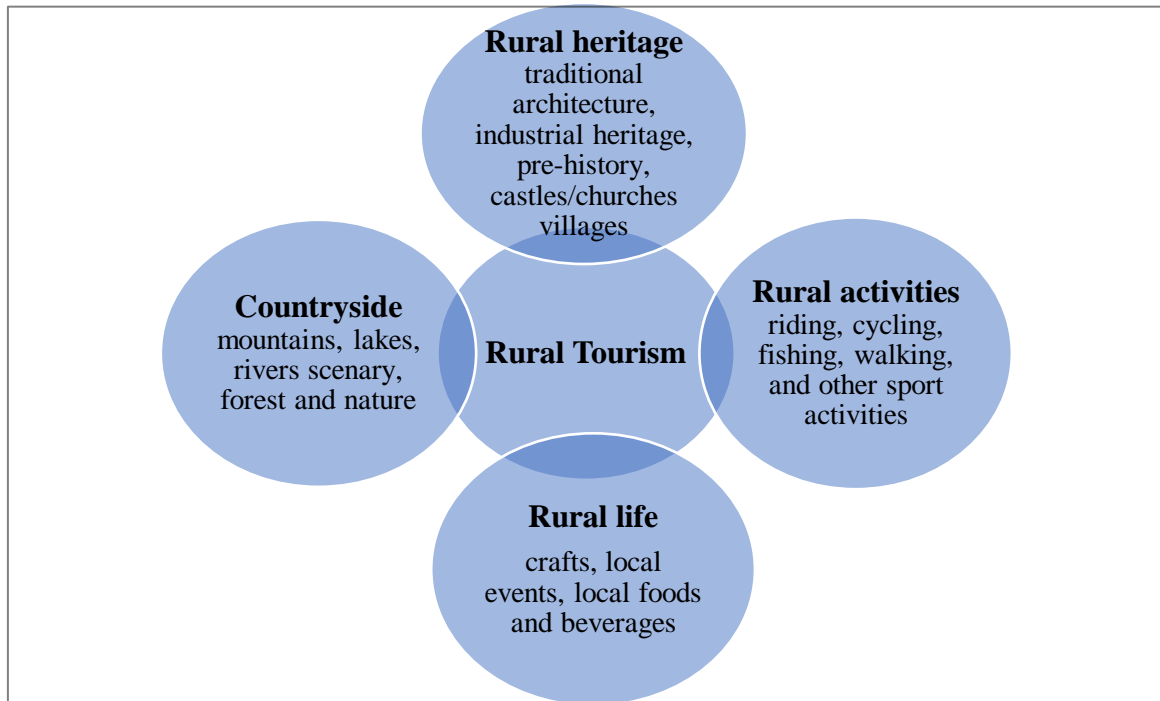
Rural tourism, in its varieties of farm holidays, agritourism, special-interest holidays, nature tourism, ecotourism, walking, cycling, riding, climbing and adventure tourism, sport tourism, health, medical and wellbeing tourism, hunting, angling, food and wine tourism and church tourism and almost all other possible forms of tourism, together with events, festivals and visiting friends and relatives (Oriade and Robinson, 2017), is

close to ecological travel, taking into account that destinations of such tourism are areas remote from urban centers and megacities (Lane, 1994; Robinson, 2012). Nevertheless, there are suggestions that rural tourism differs in some instance from farm tourism or agritourism. For example, the UNWTO (2017 p. 19) states that “rural tourism differs from agritourism on two points: activities specific to rural tourism are not necessarily carried out at a farm, ranch, or factory processing agricultural product, and activities specific to rural tourism do not necessarily generate supplementary incomes for agricultural enterprises”. However, in all cases the main point in defining rural tourism is the geographical (remoteness from cities, mountainous areas), demographical (density size) and traditionality structure of the socio-economic (dominance by agriculture sector) sector of an area (Gannon, 1994; Lane, 1994; Robinson, 2014; UNWTO, 2017). This study follows Gannon’s (1994) definition, because it is in line with the current development concepts and programs of Tajikistan.

### **2.3.3 Rural tourism concept**

According to Robinson (2012) the concept of rural tourism includes ‘complex and multifaceted activity taking place in the countryside’. Rural tourism should be seen as a potential tool for conservation and sustainability, rather than as an urbanizing and development tool and of many different kinds, representing the complex pattern of rural environment, economy, and history. Rural tourism is also defined as an “effective tool for helping local populations to leave the fields without having to leave the village” (UNWTO, 2017).

Figure 2.2 Rural tourism concepts



Source: Adapted from UNWTO (2004).

As shown in the figure the concept of rural tourism refers to the number of activities of small-scale producers and other entrepreneurs in organizing holidays, in the center of which lies rural tourism (Page and Getz, 1997). These activities include rural heritage activities, like traditional architecture, industrial heritage, pre-history, castles/churches or mosques and villages; rural activities, like riding, cycling, fishing, walking, and other sporting activities; rural life activities, like crafts, local events, local foods, and beverages; and countryside activities, like mountains, lakes, rivers scenery, forest, and nature (UNWTO, 2004). Rural tourism is also defined as an effective tool for improvement of well-being of the poor people taking into account its labor intensity and wide-ranging job creation opportunities, as well as the special focus that it has in areas where other

economic activities are limited (Gannon, 1994; Jafari, 1981; Lane, 1994; UNWTO, 2006; 2017).

#### **2.4 The impact of tourism on social economic development of rural areas**

The increasing popularity of tourism as a stimulator of economic growth on the one hand and the economic disparities and expanding gap between urban and rural areas has encouraged governments and policy makers to develop program and adopt policies for tourism development in rural areas (Gannon, 1994; Lane, 1994; Hyytiä and Kola, 2013; UNWTO, 2017). The UNWTO (2017) states that rural tourism offers economic opportunities for communities that are facing unemployment and insufficient income challenges, while it prevents or at least minimizes the flow of migration to urban areas, and further reduces negative social impacts in rural and urban destinations. There are many other reasons why tourism can benefit the people of a rural area from the socio-economic perspective. For example, from the demand side rural tourism is acknowledged as an antidote against rapid urbanization and a supporter of traditional cultural preservation and so on (Streimikiene and Bilan, 2015). From the supply side it improves the socio-economic conditions of rural areas, by the creation of new jobs and adding value to local products (Tribe, 2020).

During the last 50 years strategies and policies to strengthen the tourism potential of destinations have been developed and implemented and it has even been suggested for funding to international organizations (Ellis and Biggs, 2001; UNWTO, 2004; 2017). One of the approaches to rural development is to identify the development potential of small-scale enterprises, because small enterprises are less costly and require only a modest outlay.

Considering the promising economic impact of rural tourism, especially its wide ranging job creation and entrepreneurship opportunities in areas where other economic opportunities are limited, local governments have also started considering it as a solution for rural development (UNWTO, 2017; McAreavey and McDonagh, 2010; Matarrita-Casante, 2010; Gannon, 1994; Lane, 1994). Developing countries have used rural tourism as a strategy for poverty reduction. For instance, China in 2015 adopted a policy to promote rural tourism as an effective means for poverty reduction. According to UNWTO (2015) rural tourism contributed to lifting out of poverty around 10 million people between 2011-2014. This approach is known in the literature as a pro-poor tourism strategy that focuses mainly on the vulnerable population and unlocking opportunities for them (Donaldson, 2007). Also, since rural tourism brings diversification to the local economy, which is mainly based on agricultural products, it is seen as an opportunity to diversify by creating jobs outside the agriculture sector. Rural tourism is used interchangeably with agritourism, ecotourism, community-based tourism, nature-based tourism, mountain tourism and other forms of tourism that takes place in “remote from urban areas” places. Thus, the next sections will analyze some of the form of rural tourism separately.

#### **2.4.1 Agritourism**

Agritourism is classified as the activities of farmers providing services related to recreation and training for the purpose of marketing agricultural products and earning additional income (Chase, 2018; Sznajder, 2017). Agritourism is considered as an important educational tool for increasing a visitor’s awareness about the ethics and nature of the production of local products (Robinson, 2012). It is amalgam of farm



activities, for example horse riding, fishing, picking mushrooms, fruits, herbs, etc. It includes the “live” culture of the rural community that gives an essence to this form of tourism, people with their own original farm lifestyles are within the agritourism framework (Che et al. 2005; Lane, 1994). Thus, by providing goods and services to visitors it empowers local people, especially local farmers, because it provides them with additional benefits (Arroyo et al, 2013; Tew and Barbieri, 2012). Agritourism is also appreciated from the employment opportunities, via the sales the community would be able to make due to increases in demand, and the tax that the local authority will collect from the viable businesses in local areas (Barbieri, 2008; Tew and Barbieri, 2012; Che et al, (2005) state that agritourism can also bring non-economic benefits in view of maintaining rural lifestyles and the preservation of local customs and traditions. Although the benefits of agritourism are acknowledged by many scholars (Barbieri, 2008; Buckley, 2007; Veeck et al, 2006; Nickerson et al, 2001) some studies criticize it due to seasonal dependency and increasing the land prices in a destination (Fisher, 2006). However, the most of studies suggest agritourism as a convenient strategy for the diversification of local economies taking into account its cost effectiveness and lower investment requirements (Barbieri, 2008; Nickerson et al, 2001; Tew and Barbieri, 2012).

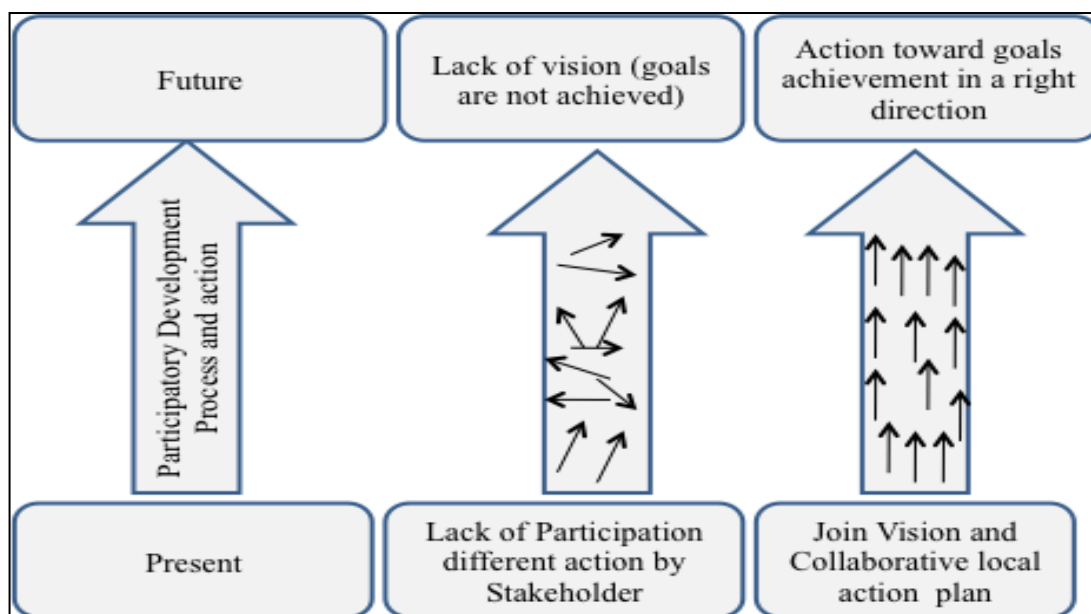
#### **2.4.2 Community based tourism**

Community-based tourism (CBT) has been used as a strategy for rural development to support local plans and programs for socio-economic development (Robinson, 2012). The main beneficiaries of CBT are community people because the benefits are result of the real interaction of visitors and local people (Shafieisabet and Haratifard, 2020). CBT

is also defined as an alternative approach for rural development taking into account the initiatives and ideas of local people in the center of local development plans and programs. CBT acts as systematic mechanism of coordination of all stakeholders and resource distribution in the way to goals and objectives achievement, especially in developing countries (Khartishvili et al. 2019). CBT is an effective strategy for local empowerment, since it gives local people alternative opportunities to gain additional sources of income and to develop their communities (Manyara and Jones, 2007; Sebele, 2010). It focusses on a bottom-up approach to tourism planning and development and is very significant for the economy of the local destination (Robinson, 2012, pp. 29-30). Although the capacity of local people to undertake tourism development may not be enough, indigenous knowledge, culture, tradition, and social specialties should be considered as resources to be controlled by them (Casado, 1997). CBT also encourages tourism providers as well as tourism consumers to respect local traditions, cultures, and natural heritage to gain benefits (Shafieisabet and Haratifard, 2020; Robinson, 2012).

Considering the fact that the main beneficiaries of CBT are local people, participatory planning and the involvement of local people is crucial for development. However, ensuring effective participatory planning is not an easy, because community people might have different opinions and interest. Based on the stakeholder theory local governments and organization should cooperate and communicate with local stakeholders to avoid the potential of community conflict. As Figure 2.2 shows, when community opinion is not considered or not clearly defined in the vision of the destination, local people and other stakeholders have different aims and interests and when tourism planning is done jointly with local people sustainability of the planning for the achievement of the goals is ensured.

Figure 2.3 The essence of the strategic planning process



Source: Adapted from Farkhudinov, 2016.

Nevertheless, without an effective management system, participatory identified vision and policies, knowledge of the processes and responsibilities of all stakeholders, and understanding of the sources of investment for the implementation of the commonly defined tasks, achievement of these goals will be difficult (Ken, 2001; Cáceres-Feria et al. 2021).

Components of CBT development are closely related to sustainable tourism development and are identified as a constituent of sustainable tourism since they take into account the conservation of resources, addressing the needs of visitors and improving the livelihoods of local people (Pasanchay and Schott, 2021). It also gained recognition in the 2000s as an approach for sustainable tourism. According to UNWTO (2017) “Sustainable tourism in rural areas is directly related to that area’s ability to express its environmental diversity, architectural coherence, social and cultural richness, and local

heritage”. Thus, sustainable tourism in rural areas is about the effective utilization of natural, cultural, and environmental resources and the maximization of the socio-economic benefits for local people (Lee and Jan, 2019).

Some examples of CBT are found in the case of small villages, where the mixture of tourism services like gift shops, cultural specialties and traditions, guest houses and small restaurants, and other services provided by groups in the community, which individuals may not be able to supply. Nevertheless, community people have difficulty regarding defining common goals and objectives and may act more individually rather than follow a community vision (Sebele, 2010). There are also other challenges in the development of CBT, especially a lack of capacity in planning and management, lack of sources of financing, the self-interest of some community members, and an unwillingness of some groups to have a common vision (Williams, 2004; Imbaya et al. 2019). Robinson (2012), however states that overcoming these challenges has led to the concept of social capital and community capacity-building. Thus, it creates a society or community where members help and trust each other, respect the opinions of others, and even without agreeing with them, are invariably tolerant of their opponents (Putnam, 1992; Sebele, 2010).

### **2.4.3 Ecotourism**

Ecotourism is considered as sustainable tourism and due to its conceptual characteristics, particularly natural and undisturbed areas, conserving the environment, and improving the well-being of the local people is included in the list of rural tourism attributes. The ecotourism concept is also acknowledged from the economic standpoint from the two perspectives: economic impact and economic value. ... “A common

ecotourism goal is the generation of economic impacts, whether they are profits for companies, job for communities or profits of the parks” (Forje et al. 2020).

Among the types of rural tourism, ecotourism is identified as more appropriate for rural development due to its remoteness from urban areas. Some ecotourism activity that has been highlighted by Weaver (2008) is as follows: aboriginal tourism (linked to cultural tourism); celestial ecotourism (comets, northern lights, sky gazing, stargazing); flower gazing; nature observation (leaf-peeping, bird watching and whale watching onshore or vessel based); nature photography; and nature activities (hiking, canoeing, camping, fishing, wildlife safaris, and so on). Hsu (2019) states that ecotourism is very important for rural development, and it will further play an important role in terms of empowering local communities. The main reason for this statement is that the components of ecotourism are closely related to sustainable tourism development and encourage stakeholders to conserve the nature and preserve the biodiversity of local areas. However, to conserve biodiversity and ensure the sustainable development of ecotourism, education, visitors management, and community engagement is necessary (Hsu, 2019). By increasing local capacity building and employment opportunities, ecotourism can be an effective vehicle for empowering local communities around the world to fight against poverty and to achieve sustainable development (Dowling, 2011; Babu et al. 2008).

#### **2.4.4 Nature based tourism**

Nature-based tourism like other forms of rural tourism is acknowledged as important for social-economic development (Vespestad and Lindberg, 2011). Generally, nature-based tourism understands travel to be to undisturbed areas and it is used interchangeably with sustainable tourism, green, rural, alternative, adventure and

responsible tourism (Robinson, 2012). Nature-based tourism can minimize environmental impacts and can be a valuable way to preserve and improve social and cultural values, as well as a contribution to the economic well-being of local peoples (Tangeland and Aas, 2011). For a community to gain benefit from nature-based tourism successful planning and design as well as marketing are crucial (Roberts and Hall, 2004).

Hasan (2016) studied nature-based tourism in Japan as a factor in community revitalization. Based on ethnographic field research in Oyama town of Oita Prefecture he found that the initiatives of nature-based tourism have helped local residents to define, preserve and capitalize on many latent local resources and have expanded the commercial opportunities for local products. According to his research findings, nature-based tourism is also important in increasing the farm product and conservation of local tradition. In turn, this has led to better economic opportunities and the expansion of implicit knowledge on traditional rural lifestyles and environment. His research provides important evidence on how nature-based tourism can be a tool for small communities' socio-economic expansion and rural revitalization.

#### **2.4.5 Mountain tourism**

According to Richins and Hull (2016 p.1) mountain tourism generates 15-20% of annual global tourism. Mountains exist in 139 countries and cover about 24% of the land in the world. Exploration of the mountain tourism dates to the beginning of the 19<sup>th</sup> century (UNWTO, 2018). Mountain tourism is a type of "tourism activity which takes place in a defined and limited geographical space such as hills or mountains with distinctive characteristics and attributes that are inherent to a specific landscape, topography, climate,

biodiversity (flora and fauna) and local community. It encompasses a broad range of outdoor leisure and sports activities" (UNWTO, 2020).

Mountain tourism is acknowledged as a high potential tool for stimulation of the local economic growth and expansion of social services (UNWTO, 2020). Mountain tourism development has been recognized as an important and promising strategy for livelihood improvement of residents of the rural areas with this resource (Richins and Hull, 2016, p. 296). According to Kruk (2010) the international mountain tourism market is estimated at US\$ 140-180 billion per year, employing between 25 to 47 million people worldwide. Increasing demand for mountain tourism, provide frame for transforming the rural challenges to economic opportunities for local residents (Nepal, 2003). However, Kruk et al (2007) defines the following as the main challenges for sustainable mountain tourism development: “managing the exponential growth of visitation, adapting to the impacts of climate change, and addressing the health, safety and security of travelers”. Considering the rural problems in developing countries, especially lack of infrastructure, environmental problems, lack of employment opportunities and poverty, mountain tourism has been identified as an important component of rural development (Richins and Hull, 2016).

Considering rural tourism’s importance for livelihood improvement, particularly for poverty reduction, international organizations and national governments have called for better planning and implementation of rural tourism projects (UNWTO, 2013). Also, taking into consideration the effect of the COVID-19 pandemic the Global tourism crisis committee of UNWTO in its third meeting encouraged governments to “go beyond words” and begin taking decisive action to safeguard millions of jobs under threat as a result of the COVID-19 pandemic. UNWTO Secretary-General Zurab Pololikashvili said:

“...Governments have an opportunity to recognize tourism’s unique ability to not only provide employment but to drive equality and inclusivity. Our sector has proven its ability to bounce back and help societies recover. We ask that tourism is now given the right support to once again lead recovery efforts” (UNWTO, 2020).

UNWTO (2017) provides a variety of reasons to prove the sustainability of tourism for poor and other vulnerable levels of population by taking into account the following arguments: “It is a growing sector, which has proved its ability to deliver economic development; It is a sector in which developing countries can be at a comparative advantage, owing to their natural and cultural assets; It can provide economic activity in places where there are few alternative opportunities; It is labor intensive as a sector; It is a diverse sector, providing the opportunity to support other economic activities, both through providing jobs that can complement other livelihood options and by creating demand through the supply chain; It provides a wide range of opportunities for work, both unskilled and skilled, that are well suited to women and young people; It can provide opportunities for minority communities and support their culture; It creates opportunities for many small and micro enterprises, with start-up costs and barriers to entry which can be low; The infrastructure provided by and for tourism, such as roads, water supply and sanitation can also be of great benefit to poor communities; and by the market coming to the product, which is a special aspect of tourism, and it provides a unique opportunity for social and economic contact of all kinds” (UNWTO, 2017 p. 20). Thus, rural tourism is suggested as an important source for social economic expansion in developing countries.



## 2.5 The prerequisites of rural tourism development

There are no unique and widely accepted approaches to rural tourism development. In the tourism literature various factors have been identified, for instance, Gunn (1988) and Oriade and Robinson (2017) highlight five tourism components that they think are crucial for rural tourism development. These are: first, *Attraction*, rural areas should have tourism attractions or event that attract visitors to local areas. Tourism attractions or events can be natural, like lakes, mountains, hot springs, etc. or cultural, like tradition, dance festival, museums, but should be an authentic and original strength of destination. Second, *tourism promotion*, including marketing strategies and research carried out to inform marketing strategies. Third, *infrastructure and tourism superstructure*, including roads, hotels, restaurants, and access to the destination. Fourth, *service – providing*, including information and services for visitors. Fifth, *hospitality*, which includes not only hospitality services such as hotels and restaurants, but also the host community's perception of and courtesy towards the tourists. However, these factors are the basic, and rural areas in the poorest condition should have them to attract visitors and benefit from them.

Other studies have defined more factors as prerequisites of rural tourism development. For example, Wilson et al. (2001) highlight 10 factors that affect communities in rural tourism development and entrepreneurship, based on their study of six rural Illinois communities. They concluded that for communities to have sustainable rural tourism, in addition to the above mentioned attributes rural areas should have the following components: (1) “a complete tourism package; (2) good community leadership; (3) support and participation of local government; (4) sufficient funds for tourism development; (5) strategic planning; (6) coordination and cooperation between

businesspersons and local leadership; (7) coordination and cooperation between rural tourism entrepreneurs; (8) information and technical assistance for tourism development and promotion; (9) good convention and visitor bureaus; and (10) wide-spread community support for tourism” (Wilson et al. 2001. p.135). Likewise, Neumeier and Pollermann (2014) state that besides the natural and cultural attraction, rural tourist destinations should have good quality services, infrastructure and tourist superstructure, as well as a favorable ethos of local people to achieve development. Further, they define seven “building blocks” that constitute suitable bases and are prerequisites for rural tourism development. These blocks consist of “Accommodation”, “Food and Beverage”, “Services” (including information), “Infrastructure”, “Character of the village or region”, “Natural prerequisites”, and “Traffic and accessibility” (Romeiß-Stracke, F. (1989 p.12) cited in Neumeier and Pollermann, 2014).

According to the UNWTO (2008, 2017) another success factor in rural tourism development is its recognition from central governments. Without political will and support rural tourism cannot be sustainable. The role of the central and regional governments is more important in marketing and promotion campaigns to support implementation of planned projects and in the facilitation and encouragement of locally developed initiatives and projects (Christie, 2002). Taking into account the relative lack of awareness of rural people in enterprise operation and management, governments can also support capacity building activities by providing training in innovation, micro and small enterprise financing, business planning, and business skills and standards (UNWTO, 2017). At the same time the policy for rural tourism development should use a bottom-up approach to ensure its sustainable growth (Robinson, 2014; Miyoshi et al. 2012; Korf, 2007). Involvement of local people or community is identified as crucial in rural tourism

development and is a prerequisite of its sustainability (Dower et al. 2003). Furthermore, involvement of local community in planning and implementation avoids conflicts and tensions and includes all the potential stakeholders in rural areas. Also, this approach will contribute to effective identification of local resources since local people have better knowledge and understanding about the potentials and natural resources of their areas (Chambers, 1983; Miyoshi et al. 2012).

Integrated approach in rural tourism development also defined crucial. For example, Sharpley and Sharpley (1997), state that in rural tourism development local governments should follow integrated and sustainable approach and consider all efforts that are being implemented in relation to rural tourism, because without integration rural tourism cannot survive. So, during development and implementation of national or regional development programs the action should be emphasized in consideration of tourism development. Another important aspect is the destination management organization (DMO). DMOs are fundamental for rural tourism and entrepreneurship development, as well as marketing and promotion of destinations (Oriade and Robinson, 2017). According to Gannon (1994) “Developing and delivering a quality product is what the whole tourism business is about”. However, the tourism product is not just a local resource that attracts tourists to a local area, it is a combination of wider elements that include tourist information, accommodation, transportation, food and beverage, entertainments, activities and a variety of other services. Absence of one of the mentioned elements will diminish the attractiveness of a rural area as a tourism destination (UNWTO, 2017). Tourism product not always has the unique or exact elements it may vary based on the characteristics of the tourism destination and the needs of tourists, but the most important outcome is that a tourist meets his/her needs within a single site or destination.

In tourism product development in rural areas cooperation between local enterprises is crucial, since individual local people or enterprises cannot provide all services. The absence of cooperation in tourist destinations causes difficulties for visitors when they try to meet their needs, because each element of the tourism product is provided by different people and enterprises, and at different standards. This may lead to the dissatisfaction of visitors and diminish the number of visitors to a destination (Dower et al., 2003).

This evidence shows that rural tourism is a multidimensional process and requires from rural communities both planning and management skills. Although the role of local government is defined as being crucial in rural tourism development, the planning process should follow a bottom-up approach with the involvement of local people, as well as cooperation between local enterprises. Also, the formulation of tourism product is crucial, particularly the reorientation of rural enterprises and people to tourist enterprises and the realization of touristic services, the creation of a tourist image of the destination, and the provision of high-quality tourism products and services that are defined as prerequisites. Furthermore, the destination management organization has a special role in the realization of tourism products, with its focus on small and medium enterprises, the characteristics of the site, and the requirements of the tourism industry. The role of local government is also important in human resource development, destination management organizations and in the marketing and promotion of local products. While local government should focus on DMOs, the private sector should focus on development that delivers good quality products and services, defined as important for the sustainability of tourism in destinations. In developing tourism products, special emphasis should be given to the characteristics of a destination, its culture and tradition or in other words the ethnology of the local resources. Analysis of the literature on the prerequisites of the rural tourism

development thus shows that rural tourism development requires a lot of measures from the central and local governments as well as community people.

However, analysis of the rural tourism literature shows that in the majority of cases the success of rural development depends on local tourism policy and the management of rural resources for this as well as on combining rural tourism with the socio-economic programs of rural areas (Jafari, 1981; Lane, 1994). But, due to its sensitivity to external factors (macroeconomic situation, political situation, and natural diseases) rural tourism is not always a smooth mechanism for rural development (Gannon, 1994). For example, COVID-19 has dramatically affected international tourism, leading to a decline in the number of international arrivals (70 to 75%) to both urban and rural areas, and put at risk 100-120 million direct tourism jobs around the world. Total losses from the tourism sector is estimated to be around 2 trillion US dollars of global GDP (UNWTO, 2021) at time of writing 2 years into the pandemic.

Nevertheless, the main challenges in setting up the prerequisites that face rural areas in developing countries are local economic strength and infrastructure even though professional human resources and managerial skills are critical. Thus, in the next section this review will discuss how developing countries could develop rural tourism when economic (financial) resources are limited. Given that the possible answer to this question is the attraction of foreign investment or foreign aid the study closely analyzes and reviews the role of foreign investment and foreign aid in tourism and rural development.

## **2.6 Foreign Aid, Tourism, and Development**

### **2.6.1 Defining Foreign Aid**

The history of foreign aid dates to the middle of the 20th century (1940s) as a perceived economic and political necessity to rebuild Europe after World War II (WWII), and to the establishment of international organizations, including the United Nations (UN), the International Monetary Fund (IMF), and the World Bank (WB) (Jakupec and Kelly, 2015).

At the beginning, the concept of foreign aid was to provide countries in need with capital funding for their economic recovery and to promote skills training. However, by the 1970s it was extended to new areas. Poverty reduction became one of the priorities of the aid provider countries and institutions (Watson, 2015). Consequently, the number of international and regional aid agencies such as ADB, Europe Aid, USAID, JICA and others increased (Jakupec and Kelly, 2015), and at the beginning of the 21<sup>st</sup> century had reached more than 230 multilateral agencies (Kharas, 2007). The earliest institutions established for aid provision were the IMF and the WB, and they still play a major role in the current aid system. Subsequently, developing countries closely cooperate with these institutions in the implementation of their social economic development programs (Watson, 2015).

Foreign aid became the framework for the evolution of the theories and concepts of aid and development in the 1950s. By the 1970s, however, because of economic depression (in the form of oil shocks, Latin American debt crises, together with trade imbalances, demographic challenges, and the emergence of new technologies) the focus of aid-development has expanded to new areas. This has encouraged aid providers to shift toward new challenges such as investment in people, including education, health, reducing government intervention into markets through deregulation, changes in governance, and legal system improvements, trade and tariff barrier reduction, and

implementation of macroeconomic policies such as debt management and inflation cognizant monetary policy (Jakupec and Kelly, 2015). In the early 21<sup>th</sup> century the majority of the European countries became aid providers (Alesina and Dollar, 2000). The underpinning for this was capitalism or its elements like implementation of the free-market (neo-liberal) economic policy in developing countries (Watson, 2015). Moreover, the expansion of the aid providers and their importance for development brought new players and increased the number of institutions and countries providing aid (Kharas, 2007). This rise in the number of aid institutions focused attention on aid effectiveness and its development impact among academic circles and researchers (Engel, 2014).

The fundamental objectives of the aid providing countries is to assist developing countries in development, particularly in reducing poverty and improving the well-being of the population (Mcgillivray, 2003). Since the term development has a broad meaning and varies a lot between scholars and policy makers from the early 21<sup>st</sup> century on, the UN adopted the Millennium declaration that defined the main goals of development for the long term (first the Millennium Development Goals (MDGs) and then the Sustainable Development Goals (SDGs)). Thus, the SDGs become framework for cooperation between aid provider and aid receiving countries.

The impact of foreign aid has been studied widely from the various perspective. One of the earliest studies that studied aid effectiveness in developing countries was conducted by Papanek (1972). Papanek reported that foreign aid has a positive impact on development of recipient countries. The results of his study led policy makers to believe that the convergence of the developing countries was going to be much faster, and that poverty would be eradicated worldwide. However, the results of later research were more controversial and made the question of aid effectiveness debatable. For instance, a study

by Mosley et al. (1987), that also examined the relationship between aid and growth in developing countries found no significant impact on growth. The reasons behind this were non-productive expenditure and the possibility of leakage. Similarly, the results and findings of other studies made difficult for policy makers to see how to operationalize development. For instance, some studies state that the impact of aid on economies of the recipients' countries are positive (Burnside and Dollar, 2000; Collier and Dollar, 2002; Collier and Hoeffler, 2002; Dalgaard and Hansen, 2001), while others state that aid does not significantly increase output in the developing countries (Boone, 1996; Easterly, 2006; Moyo, 2009). This makes the debate on the value of foreign aid contentious and raises new questions. For example, why have some countries benefitted economically from foreign aid but others have not? What are the factors behind these success and failures? The present study assesses the factors that are expediting or hindering aid effectiveness in developing countries in the context of tourism.

Thus, the evidence concerning the impact of aid on development is controversial. Reviews show that in some cases aid has a positive impact while on the others the impact of the aid is not significant. Though in most cases the impact of aid is acknowledged positively in relation to the growth of the developing countries due to additional capital inflows and their multiple effects on the destination economy. There are some factors that eliminate or militate against aid effectiveness. These can be divided into external and internal factors. The external factor is the bureaucratic system of aid distribution; based on the dominant role of the aid agencies; the size of the aid agencies, their political interest and neo-colonial dimensions, and inadequate funding. The internal factors are inappropriate planning, leakage in distribution, the low quality of local institutions, corruption and bribery, and a less than useful policy environment. These are some of the



reasons listed in the literature. Aid donors are also criticized for not being interested in grass-roots and small-scale projects.

On the other hand, most researchers believe that with good policies and a favorable economic environment aid can be of benefit for the growth and development of the recipient countries. Also, the implementation of small-scale projects at the community level is defined as a possible way to increase aid effectiveness in the developing countries. The next section discusses the role of aid for the specific industry of tourism as a means of social economic development in developing countries.

### **2.6.2 Foreign Aid and Tourism Development**

The competitive world where comparative advantage applies and developed countries mostly gain the benefits from transnational trade networks do not allow developing countries to have a higher growth rate. However, those developing countries that have strong comparative advantage in the tourism sector and access to tourism markets do not seem to have these high barriers. Thus, the assumed economic benefit of tourism has become an integral part of the development programs in developing countries. In this regard international organization and donor countries are now incorporating tourism as a promising sector for poverty reduction through aid (UNWTO, 2016). According to the UNWTO (2016), although disbursements during 2006-2013 were a modest (0.09 percent) to the tourism sector, tourism represented around 7 to 10% of the total exports of goods and services in the developing countries. Tourism is also acknowledged for being able to provide additional income for low skilled people in rural and remote areas if handled correctly (Carter et al. 2015). However, the economic benefits of tourism in developing countries are not without criticism. Foreign aid to the tourism sector is criticized for high

leakage, inappropriate distribution of resources, increasing inequality, over exploitation of natural and cultural resources, subjugation of host communities, and other environmental consequences (Dwyer and Thomas, 2012; Zhao and Li, 2006; Britton, 1982). Some authors argue that seeing tourism as a main export industry and source of foreign exchange ties developing countries to the international political economy dominated by developed countries and their large corporations. (Britton, 1982; Zhao and Li, 2006).

However, despite the above mentioned negative effect national governments at LDC see tourism as a potential sector for economic growth and development and trying to involve aid for its development (Britton, 1982; Dalgaard and Hansen, 2001; Hawkins and Mann, 2007; UNWTO, 2017a, 2013). According to Hawkins and Mann (2007) most LDCs (80% from 56 countries) mention tourism as an option for economic growth, poverty reduction and achievement of the Millennium Development Goals (now SDGs), and in some African countries' tourism is seen to be equally as important as manufacturing. Moreover, Cheer and Peel (2011) state that the negative consequences of tourism could be eliminated or at least reduced to a minimal level with a good planning policy. Similarly, Cater (1987 p. 223) claims that for the effectiveness of tourism better planning is crucial "...with better informed tourism planning, there is no reason why the positive effects should not be maximized, and the negative ones minimized".

Tourism as a means of development was further expanded within the concept of sustainable development through the efforts of the United Nations World Tourism Organization. The sustainability approach in tourism includes commonly defined visions, strategic orientation, and stakeholder participation (Simpson, 2001) But some studies found that tourism as an economic contributor received little funding from donor

countries and projects for tourism were not implemented for the benefits of the community (Cheer and Peel, 2011). Hawkins and Mann (2007) studied the role of the World Bank (WB) in tourism development based on the activities of the Bank in developing countries from the 1970s. They state that though the WB invested in developing countries during this period, tourism was not among the priorities of the Bank. The WB preferred projects and activities in other sectors of the economy such as infrastructure, transportation, agriculture, and other productive spheres, which have perhaps a more direct influence on development and poverty reduction. This is even though most of these sectors have turned out to have strong linkages with the tourism industry (Carrillo-Hidalgo and Pulido-Fernández, 2019).

Similarly, the literature of the period shows that most donors did not consider tourism as a main sector of involvement. However, according to Carrillo-Hidalgo and Pulido-Fernández (2012, p.82) the sectors that are financed by donors that have influence on tourism are: “transportation, focusing on improving land and air communication systems, and urban development, which includes in addition to the physical adaptation of cities and infrastructure improvements, works on water sanitation, that according to the experts has a great influence on tourism and environment”. Carrillo-Hidalgo and Pulido-Fernández (2016) also studied international financial institutions financing inclusiveness in the tourism sector. They state that international financial institutions now see tourism as a potential sector for development. Starting from the beginning of the 21<sup>st</sup> century financing of tourism became more inclusive for these institutions. Based on their results, the WB and the International Financial Cooperation (IFC) have the best performance records in terms of financial inclusion in tourism. Similarly, Shi et al. (2020) studied financial inclusion in relation to tourism development by considering the various aspects

of tourism development in advanced and emerging economies. They argue that financial inclusion has positive effects on tourism development in emerging economies, particularly through the 'consumption effect' and the 'income effect'. They suggest that emerging economies should continue to expand financial services within the country in question and make these available to the entire population.

These trends show that most of the international financial institutions and aid provider countries now see tourism as a means of development and poverty elimination tool in developing countries. Likewise, in most cases the studies in this area agree that for developing countries where the financial opportunities are limited, foreign aid and investment can be an effective source of tourism development and livelihood improvement. So, the rallying call has to be on close cooperation with local and indigenous people to increase the benefits from tourism to reduce poverty (Sharpley and Telfer, 2002). Aid focused on tourism development should be at the grass-roots level to be of benefit to the poor. Though it may not directly affect overall development, it will bring economic benefits that can be used for education, health and other social services (Alrwajfah et al. 2019).

Like for the factors that were mentioned earlier in this chapter though, certain conditions need to be considered in tourism development planning and implementation. For instance, good planning, involvement of the community, access to finance, high quality of institutions, favorable environment, and good policy are some of the reasons for the assumption of the value of tourism listed in the literature. Also, the seasonality of tourism, high leakage, low paid jobs (part-time), dependence on other sectors and political relation with other countries, and natural disaster threats are among the challenges listed that put tourism effectiveness for development under scrutiny. Thus, in providing aid or

investment to the tourism sector it is suggested that communities consider both negative and positive factors and integrate tourism with other sectors of the economy where the poor can benefit.

## **2.7 Foreign direct investment and tourism development**

### **2.7.1 Defining foreign direct investment**

According to the Organization for Economic Corporation and Development (OECD), foreign direct investment (FDI) “is a category of cross-border investment in which an investor resident in one economy establishes a lasting interest in and a significant degree of influence over an enterprise resident in another economy. Ownership of 10 percent or more of the voting power in an enterprise in one economy by an investor in another economy is evidence of such a relationship” (OECD, 2009).

According to the IMF (2004) and the OECD (2009) a foreign investor (direct investor) may be “an individual, an incorporated or unincorporated private or public enterprise, a government, a group of related individuals, or a group of related incorporated and/or unincorporated enterprises which have a direct investment enterprise, operating in a country other than the country of residence of the direct investor”. Direct investment enterprises may be subsidiaries, associates, or branches. A subsidiary is an incorporated enterprise in which the foreign investor controls directly or indirectly (through another subsidiary) more than 50% of the shareholders’ voting power. An associate is an enterprise where the direct investor and its subsidiaries control between 10% and 50% of the voting shares. A branch is a wholly or jointly owned unincorporated enterprise (Duce and Espana, 2003, p.3). The direct investor could be an individual or business from one country that invests in a country other than its own residence. This could be investment

in a new business or existing business in the foreign country (UNCTAD, 2008). According to the IMF (2004, p.19) FDI does not require obligatory control over an enterprise since the “an ownership criterion of only 10 percent of the ordinary or voting shares of the direct investment enterprise is used to define or establish a direct investment relationship”.

The UNWTO (2004 p.22) applied the FDI definition in the tourism sector “as a category of international investment whereby an entity resident in one economy (direct investor) acquires a lasting interest in a tourism specific enterprise engaging in tourism growth fixed capital formation (a direct investment enterprise) resident in an economy other than that of direct investor”. The present study also follows this definition.

### **2.7.2 FDI and tourism development**

As was noted earlier tourism development first requires provision of basic services like transportation, accommodation, food and beverage, development of tourism infrastructure and other services such as information and marketing activities. Therefore, developing countries in their master plans for tourism development include a series of activities suitable for this purpose. But lack of financial resources and human capability are the biggest challenges in this direction. Bearing in mind these challenges, developing countries often regard FDI as an effective tool to deal with them (Khoshnevis et al. 2017; Cro and Martins, 2020).

The use of FDI in tourism development is relatively new. According to Nunkoo and Seetana (2017) one of the pioneering works on this topic was conducted by Haley and Haley (1997). The impact of FDI on tourism development has not been sufficiently explored, there have been studies conducted with this purpose around the world (Adeola

et al. 2020; Alam et al. 2015; Demir et al. 2020; Fauzel, 2020; Ivanovic et al. 2011; Khoshnevis et al. 2017; Nunkoo and Seetanah, 2017; Peric and Nikšić, 2011; Samimi et al. 2013; Sokhanvar and Jenkins, 2021; Tang et al. 2007; UNWTO, 2016).

The results of these studies show that FDI has positive impact on tourism development and the growth of a destination. For example, Haley and Haley (1997) studied the role of FDI on tourism development in Vietnam and found that it encouraged the development of new tourist attractions, which further increased the number of tourists to the country. Authors also note the bidirectional causal relation between FDI and tourism. Tang et al. (2007) investigated the relation between FDI and tourism development in China. The results of their studies confirm the significant contribution of FDI to tourism development and the causality relationship between FDI and tourism development.

Other studies show that FDI has positive impact on small island developing states. According to Craigwell and Moore (2008) FDI positively affects tourism development in small island developing states by introducing additional capacity to the local tourism destination. Likewise, the relation between FDI and tourism development is estimated as positive in developing countries. Also, a strong bilateral causality has been observed between FDI and tourism development in developing nations (Samimi et al. 2013).

Capital, infrastructure, human resources and access to global markets are defined as prerequisites for FDI inflow and tourism development (Neumeier and Pollermann, 2014; Oriade and Robinson, 2017; Wilson et al. 2001). FDI is assumed to be an important channel for the transfer of technology between countries, as it promotes international trade through access to foreign markets, and can be an important vehicle for economic development (UNCTAD, 2008). FDI is considered a most effective source of tourism

development, since the investors (direct investors) are usually entrepreneurs with good global knowledge and access to distribution chains, conditions that are acknowledged as crucial for the host countries (Khoshnevis Yazdi et al. 2017; Nunkoo and Seetanah, 2017; OECD, 2009; Peric and Nikšić, 2011).

Other factors in the success of FDI is the defined transfer of knowledge and skills from experienced corporations. According to UNCTAD (2008), transfer of skills and knowledge (know-how) is likely to develop tourism in developing countries (Alam et al. 2015). Nunkoo and Seetanah (2017) studied FDI and tourism development from theoretical and empirical perspectives and highlight the positive impact of FDI on tourism destinations. They also found that FDI and tourism has a bidirectional relationship. Alam et al. (2015) studied the role of tourism in attracting FDI in Malaysia and found a positive relationship; stating that when the number of tourists increased the revenue from tourism increased, and that leads to the attraction of FDI. Review of empirical evidence on the role of FDI in tourism development thus indicates that the inflow of FDI to the tourism sector has a positive impact on the development of the receiving country. However, this evidence is mainly based on macroeconomic data and statistical techniques but not all developing countries have the tourism statistic. For instance, the economic impact of tourism is identified using “the simple supply or sector approach, the simple demand or commodity approach, the simple satellite account approach involving tourism satellite accounts and a SAM-approach, and the extended satellite account approach” (Madsen and Zhang (2010 p.315), which are all based on tourism consumption and an aggregation of tourism industry indicators that requires tourism statistics and TSA. These approaches are good but lack an in-depth study of the real situation at the community or local level.



## **2.8 Conclusions**

Tourism is known as a contributor to socio-economic development. The reviewed concepts and literature on rural tourism provide a great deal of evidence about the opportunities and chances tourism presents for socio-economic development and improving the well-being of local people. Currently nearly all the countries in the world have adopted tourism in their socio-economic development strategies and programs as a means for poverty alleviation, rural-urban migration mitigation, and other economic opportunities (UNWTO, 2017). However, in line with opportunities tourism has challenges and risks that local government and community people should take into consideration in the tourism development process. Tourism cannot be a solution for all social or economic problems the community faces, but rather it is seen as a complement to existing businesses. To gain from tourism a destination must create the prerequisites for its development, these include accommodation, transportation, information, management, hospitality, employment, and other services. To be sustainable rural tourism should be developed based on a bottom-up approach and include local and community people while considering the potential internal and external challenges of the sector. Since developing countries face challenges regarding investment and financing, capital inflow, or in other words foreign aid and FDI, are considered as important financial and capital sources for implementation of the programs and plans for economic development. This review shows that the impact of foreign aid on the growth of developing countries is however debatable and controversial. Although foreign aid is criticized for being highly bureaucratic and having a propensity for high leakage, with good policy environment and proper distribution its effect on development is estimated as positive.

This review has also revealed that FDI has a positive effect on tourism development considering the inflow of capital, human and technological resources. Developing countries consider tourism as an alternative source of development where each of them can have comparative advantage due to cultural authenticity and endogenous uniqueness. Compared to foreign aid, the impact of FDI is more appreciated for development in general, and tourism development in particular. This might be due to the fact that the foreign direct investor has better knowledge and experience and more importantly better access to the global market. However, these studies are solely based on quantitative approaches that manipulate poor macroeconomic data and might not reflect the reality of rural areas in developing countries accurately. Moreover, construction of the prerequisites for tourism development requires investment and funding, which is challenging in developing countries. Though foreign aid and FDI are defined as a source for tourism and rural development, their role in rural development has not been investigated sufficiently in developing countries. To offset this, the present research is based on a case study of Tajikistan and uses the simple supply or sector approach to shed light in this direction and add new evidence to the existing knowledge on useful tourism and rural development approaches.

## **CHAPTER 3: METHODOLOGY**

### **3.1 Introduction**

This chapter explains the methods and techniques used in conducting this research and provides evidence for their validity. There are several research methodologies for investigation and analysis in social enquiry. These include experiments, surveys, case studies, histories, grounded theories, action research, and the use of ethnography (Yin, 2017; Martin, 2017; Nunkoo, 2018). A specific research methodology is selected based on the study's aims and objectives (Gerring, 2017). Based on the aims of the research, this study chose to use case study methodology incorporating a mixed methods approach. In other words, both quantitative and qualitative techniques have been used in data collection and analysis of case study material. The descriptive analysis applied in this research is due to the absence of tourism statistics covering the geographical area of study.

The overall aim of this study is to explore the role of tourism in rural development in Tajikistan and develop recommendations for rural development using tourism, with special reference to Tajikistan. To fulfill this aim six individual objectives are explored. In the following sections of the current chapter the details of the research methodology, methods and approaches used in this study, particularly the research strategy, sample size, data collection, data analysis and limitation of the study are discussed.

### **3.2 Research strategy**

This study uses case study research methodology. This strategy can be used for an in-depth investigation of a single case, or of groups of people, organization, community, or a phenomenon when “how” or “why” questions are being asked and

explains the intervention between program implementation and program effects (Yin, 2017). Ragin and Amoroso (2010) emphasize research strategy as the instrument for connecting research objectives to research methods and research enquiries. With empirical data a case study framework for analysis can be found in any topic (Yin, 2015, p.93). According to Nunkoo (2018, p.15) “the case study method possesses certain characteristics that support its use as a valid methodological tool in tourism research”. Case study strategy can be used for the “illumination of a decision or set of decisions: why they were taken, how they were implemented, and what the results were” (Yin, 2015, p.87). The case study strategy allows us to make a in depth study of the research inquiry, providing a wide range of data collection methods and approaches. Gerring (2017, p.28) states “A case study is an intensive study of a single case or small number of cases that draws on observational data and promises to shed light on a larger population of cases”. In the selection of cases the aim and objectives of the research play a vital role. Also, it is important to define whether the study is descriptive, exploratory, or explanatory in character. For instance, if study aims to find causal relationships between two or more factors, the case study may be defined as “exploratory, estimating or diagnostic” (Gerring, 2017, p.40). Considering the above characteristics as well as the aims and objectives of this research a case study strategy was selected for this research. Another reason for the selection of this strategy is that its more appropriate for in-depth study (Yin, 2015).

### **3.3 Research approaches**

The case study strategy has been recognized among the array of qualitative research methods due to the fact that it requires less numerical response and provides more textual material and opinions (Creswell, 2007). However, the case study research

may engage both qualitative and quantitative evidence (Gerring, 2017). Using quantitative and qualitative approach in methodology is known as mixed methods: “Mixed methods is an approach that combines qualitative and quantitative research methods in the same inquiry” (Nunkoo, 2018, p.14). Combining quantitative and qualitative methods provides a better understanding in research inquiries than either approach does alone (Creswell & Plano-Clark, 2006).

Application of the case study methodology using mixed methods is also particularly supported in developing countries due to the likelihood of poor, incomplete and erroneous statistical data (Hoogendoorn & Fitchett, 2018). The mixed methods approach is highlighted by Hristorv & Ramkissoon (2018) as an important approach for in-depth analysis. They state that the mixed method approach includes three phases of data collection and analysis. The first phase involves qualitative data collection through interview, observation, and secondary data review. The second phase involves collection of the quantitative data through a survey. In phase three the reliability of the qualitative data is confirmed to support the arguments with rigorous evidence. Nunkoo (2018, p.16) states that “other rationales for using mixed methods include complementarity (the possibility of using one method with the findings from other methods)”. Considering the above-mentioned characteristics and especially the lack of statistical data on the area of study this research suggests the mixed method approach for data collection and analysis. Both qualitative and quantitative data is gathered and analyzed using the simple supply approach to achieve the research aim and objectives of the research, as discussed in the following sections of this chapter.

### **3.4 Area of study**

The Republic of Tajikistan is administratively divided into 4 local regions plus Dushanbe (the capital). These are the Districts of Republican Subordination (DRS), the Sughd region, the Khatlon region, and the Gorno Badakhshan autonomous region (GBAO). The local regions are subdivided into cities, districts, towns and rural communities (jamoats). According to official statistics there are 18 cities, 51 districts, 65 towns and 368 rural communities in Tajikistan (Stat Agency, 2021).

Figure 3.1 Administrative Map of Tajikistan



Source: Google Maps.

According to Gerring (2017) a suitable case should have the characteristics of the phenomena that we wish to explore. Tajikistan as a steadily developing country has made significant progress in social economic development. It's GDP growth in the last 10 years has averaged around 7 percent per year and GDP per capita has grown from 3285 in 2010

to 8889 somoni (the national currency) in 2020 (Stat Agency, 2021). As a result, the poverty rate has been reduced from 53.5% in 2009 to 26.3% in 2019 (World Bank, 2020). Also, the country is gaining recognition as an emerging tourism destination according to international and regional organizations. According to official statistics the number of tourists visiting the country in the pre Covid-19 period passed one million for the first time in 2018. The UNWTO placed Tajikistan in first place in the ranking of tourism growth in 2018 (UNWTO, 2019). Also, the country was listed in international reports as safe and secure for travel and tourism. For instance, in 2019 the Gallup company ranked Tajikistan in second place on its list of safe and secure countries in the world based on a survey of the citizens of 142 countries. The “Wanderlust”, “National Geographic” and “Globe Spots” journals placed Tajikistan in their lists of top 10 attractive countries for tourism (CTD, 2019). It is necessary to mention that the main tourist destinations in Tajikistan are found in the rural regions. Thus, considering the above research aims, as well as the efforts of the Government towards tourism and rural development, the area or “case” for this study is the selected rural areas of Tajikistan. These cover all four local regions.

### **3.5 Data collection**

This research uses both primary and secondary data. The sources of secondary data included scientific research reports, government publications, legislation, concepts, strategies, programs, and plans for tourism and rural development in areas of Tajikistan. Also, publications and reports of international organization and non-governmental agencies are used in this research, which provide detail information about tourism development attempts in Tajikistan. In addition, for the clarification of the quantitative

data discussions were held with employees of the Committee of Tourism Development under the Government of the Republic of Tajikistan, and with the Statistics Agency under the President of the Republic of Tajikistan and the Ministry of Economic Development and Trade of the Republic of Tajikistan.

For primary data collection two structured questionnaires were developed. The first questionnaire was developed to reflect the potentials and challenges of the rural tourism sector in Tajikistan. For the identification of the factors reflecting potentials and challenges based on the literature review (Chambers, 1983; Gunn, 1988; Wilson et al, 2001; Christile, 2002, Dower et al, 2004; Neumeier and Pollermann, 2014; Miyoshi et al, 2014; Evans, 2015; Oriade and Robinson, 2017; UNWTO, 2017) and an overview of the tourism development in Tajikistan (see chapter four) 80 factors reflecting internal and external environments in the tourism sector were formulated (Table 3.1).

Further, these factors were divided into four sections, each with 20 factors and designed in the form of a questionnaire for the survey using a Likert scale. See Appendix 1 for more detail. The first 20 factors reflected the strengths, followed by 20 covering weaknesses, 20 for opportunities, and 20 for threats, where the strengths and opportunities are seen as potentials, and the weaknesses and threats as the challenges for the tourism sector in Tajikistan (Evans, 2015; Schumann, 2006; Yu, 2005; Evans, et al, 2003). Data collection was conducted in October-December 2020 and included 120 respondents from the national and local level.



Table 3.1 List of the questions for defining the potentials and challenges of the tourism sector in the rural areas of Tajikistan

| #   | Strengths  | Weaknesses  | Opportunities                                    | Threats  |
|-----|--|---|--|--|
| 1.  | Natural beauty   | Geography and Isolation   | Unexplored touristic sites                       | Border with Afghanistan  |
| 2.  | Ancient and historical sites   | Weak public infrastructure:   | Young workforce                                  | Snowfall and flooding  |
| 3.  | Cultural richness  | Weak tourism infrastructure:  | Good relations with neighboring countries        | Pandemic   |
| 4.  | Hospitable and friendly people   | Poor tourism services:  | Potential for new regional tourism routes TAP    | Terroristic actions  |
| 5.  | Government positive about tourism development                            | Lack of professional human resources                                | Government willingness towards reforms           | Existence of competitors in the region (Uzbekistan and Kyrgyzstan) |
| 6.  | Safety and security  | Undeveloped transport and communication services                    | Attraction of investment                         | Migration of professional labor force                              |
| 7.  | Low labor cost   | Weak internet connection within the country                         | Potential for job creation                       | High gasoline prices   |
| 8.  | Tourism products and services not expensive                              | Weak tourist information centers                                    | Undiscovered tourism potentials in local regions | Dependency on tourism  |
| 9.  | Relatively unexplored sites  | Lack of marketing and networking skills                             | Remittances from labor migration                 | Over tourism   |
| 10. | Simplified visa procedure for entry of tourists                          | Not adequate financial infrastructure for non-cash payments         | Four season tourism opportunities                | Pollution  |
| 11. | Existence of international airports                                      | Weak marketing and promotional activities                           | Construction of HPP Roghun                       | Climate change   |
| 12. | Tax and custom preferences for tourism businesses                        | Undeveloped private sector and entrepreneurship                     | Trekking   | Pressure on local resources  |
| 13. | Existence of national regulatory organization (CTD) and legislative base | Not commercialized tourism products                                 | Rural tourism                                    | Cultural effects   |
| 14. | Existence of potentials for expanding of year-round tourism              | A single season-oriented tourism (summer)                           | Religious tourism:                               | Increase in commodity price  |
| 15. | Potential for CA regional tourism  | Limited funding and investment, especially from the national budget | Nature based tourism:                            | Prostitutions  |
| 16. | Existence of tourist and recreational zones                              | Corruption  | Agritourism                                      | Deterioration of relation with                                     |

|     |  |  |                      |                                    |
|-----|--|--|----------------------|------------------------------------|
|     |  |  |                      | neighboring countries              |
| 17. | Existence of health and recreational resources         | Absence of tourist destination management capacity | Hunting tourism      | Leakages                           |
| 18. | Existence of folkcrafts                                | Unfavorable business environment                   | Ecotourism           | Community conflicts                |
| 19. | Existence of educational institutions teaching tourism | Restrictions on internal movement                  | Recreational tourism | Environmental degradation          |
| 20. | Financial support (WB, ADB and others)                 | Weak developed regional connectivity               | Science tourism      | Deterioration of hygiene situation |
| 21. | Others   | Others   | Others               | Others                             |

Source: The Author.

The above factors were developed based on the review of the literature and an overview of the tourism development in Tajikistan. Especially, based on the prerequisites of the tourism and rural development though there no unique and widely accepted approaches. The literature review shows that the successful tourism destination has first developed the prerequisites for its development. These prerequisites are defined variously by different scholars in different destinations and require natural, cultural, and human resources. For example, Oriade and Robinson (2017) highlight five tourism components that are crucial for rural tourism development. These are: Attraction, Tourism promotion, Infrastructure and tourism superstructure, Service provision, and Hospitality. These factors are the basic ones, and rural areas even in the poorest condition should have them to attract visitors and benefit from tourism.

Wilson et al. (2001. p.135) highlight 10 factors that affect communities in rural tourism development .They state that rural areas should have the following components: (1) “a complete tourism package, (2) good community leadership, (3) support and

participation of local government, (4) sufficient funds for tourism development, (5) strategic planning, (6) coordination and cooperation between businesspersons and local leadership, (7) coordination and cooperation between rural tourism entrepreneurs, (8) information and technical assistance for tourism development and promotion, (9) good convention and visitor bureaus, and (10) wide-spread community support for tourism” (Wilson et al. 2001. p.135). Similarly, Neumeier and Pollermann (2014) state that besides the natural and cultural attraction, rural tourist destinations should have good quality services, infrastructure and tourist superstructure, as well as a favorable ethos of local people to achieve development. Further, they define seven “building blocks” that constitute suitable bases and are prerequisites for rural tourism development. These blocks consist of “Accommodation”, “Food and Beverage”, “Services” (including information), “Infrastructure”, “Character of the village or region”, “Natural prerequisites”, and “Traffic and accessibility”.

However, studies are not limited to these, and other factors are also defined as a success factor for tourism and rural development. For instance, UNWTO (2017) defines recognition from central governments as an important prerequisite for rural tourism development. Similarly, Christie (2002) defines the role of the central and regional governments crucial in marketing and promotion campaigns to support implementation of planned projects and in the facilitation and encouragement of locally developed initiatives and projects. Also, the formulation of tourism product is crucial, particularly the reorientation of rural enterprises and people to tourist enterprises and the realization of touristic services, the creation of a tourist image of the destination, and the provision of high-quality tourism products and services that are defined as prerequisites. Involvement of local people or community is also identified as crucial in rural tourism

development and is a prerequisite of its sustainability (Dower et al. 2003). Absence of one of the mentioned elements will diminish the attractiveness of a rural area as a tourism destination (UNWTO, 2017) and leads to the dissatisfaction of visitors and potentially diminishes the number of visitors to a destination (Dower et al. 2003).

Thus, based on the above characteristics and constraints defined from the literature review of tourism development in Tajikistan the factors reflecting the potentials and challenges of the tourism sector in the rural areas were formulated and presented in the form of a questionnaire for the SWOT analysis. The second questionnaire was designed to identify the role of tourism in the development of the rural areas of Tajikistan. This questionnaire also was developed based on the review of the related literature. The review of the literature shows that the impact of tourism on development is mainly defined and researched based on analytical models like the Input-Output model and the Computed General Equilibrium model, both of which require tourism statistics and preferably a Tourism Satellite Account (UN and UNSD, 2010). For example, Madsen and Zhang (2010) identified four different approaches for estimation of the impact of tourism on regional and local development; these are the supply approach, the simple demand or the commodity approach, the simple satellite account approach involving tourism satellite accounts based on social accounting, and the extended satellite account approach. These approaches propose different characteristics and economic activities in the tourism sector, but they also require national account data on the tourism sector. Hsu (2019) agrees that the Tourism Satellite Account (TSA) is based on national level data and cannot be used for local level impact assessment in the tourism sector. Moreover, the overview of tourism in Tajikistan shows that tourism statistics are not developed in the country, similar to other developing countries (UN and UNSD, 2010).

Nevertheless, based on the simple supply approach outlined by Madsen and Zhang (2010) tourism impacts can be identified in accordance with economic performance in the tourism sector in destinations. The supply approach is particularly valid for defining the impacts of tourism in absolute, such as number of employments created in tourism sector and in relative terms, such as shares in total employment. Besides, Burns, (1999) The “Tourism First” or “Development First” description is also a useful concept to frame this study. The “Tourism First” or “Development First” approach takes roots from the supply led approach to development. The “Tourism First” idea suggests destinations should focus on establishing the industry, supply-led approach to tourism development, whereas the “Development First” focus is on the achievement of the national development objectives. The “Tourism First” perspective envisages efforts made by the governments for tourism infrastructure development.

The primary concern in this approach is development of resorts, hotels, food and beverage facilities and other tourist attraction facilities which will lead to expansion of the social economic activities in destination, especially creation of new jobs (Gunn, 1993). Moreover, the overview of the tourism development in Tajikistan revealed that the Government of Tajikistan has exempted from value-added tax and customs duties the import of equipment, machinery and building materials for the construction of tourism facilities (GoT, 2018). This list contains 12 types of tourism facilities including Hotels, including special hotels (small guesthouses, hostels); Recreational sanatoria, holiday houses, resorts; Integrated tourism service centers (tourist complex); Roadside service centers (motels); Cultural and entertainment parks; Cultural, historical and religious zones (museums, shrines, historical sites); Fishing and hunting infrastructure for tourist purposes; Restaurants with international brands; Handicrafts centers; Special bases for

high mountain areas for tourists; Skiing and tourist complexes; and Training centers for mountaineering, skiing, guided tours. See Table 4.4.

Considering the above mentioned data and statistical constraints, the researcher developed a questionnaire that studies the influence of tourism in the social and economic development of the rural areas of Tajikistan. Specifically, it determines the amount of investment attracted by tourism to local areas, the infrastructure constructed, and the employment created in the tourism industry in the 38 districts and towns of rural Tajikistan. It includes questions about the public and tourism infrastructure facilities constructed in rural Tajikistan as the result of tourism development, its sources of finance and the number of jobs created (Table 3.2). For more detail see Appendix 2.

Table 3.2 List of the facilities for defining the impact of the tourism sector in the rural areas of Tajikistan

| <b>№</b> | <b>Tourism infrastructure</b> | <b>Type of ownership</b> | <b>Source of finance</b> | <b>Amount of funds</b> | <b>Number of created jobs</b> |
|----------|-------------------------------|--------------------------|--------------------------|------------------------|-------------------------------|
| 1.       | Hotels                        |                          |                          |                        |                               |
| 2.       | Sanatoria                     |                          |                          |                        |                               |
| 3.       | Tour bases                    |                          |                          |                        |                               |
| 4.       | Pension houses                |                          |                          |                        |                               |
| 5.       | Tourist sites                 |                          |                          |                        |                               |
| 6.       | Tourism information centers   |                          |                          |                        |                               |
| 7.       | Parks and orchards            |                          |                          |                        |                               |
| 8.       | Restaurants and dining rooms  |                          |                          |                        |                               |
| 9.       | Souvenir shops                |                          |                          |                        |                               |
| 10.      | Handicrafts centers           |                          |                          |                        |                               |
| 11.      | Transport and communication   |                          |                          |                        |                               |
| 12.      | Water supply and sewerage     |                          |                          |                        |                               |
| 12.      | Other                         |                          |                          |                        |                               |

Source: UNWTO, 2010; TDS, 2018. Created by the Author.

In addition, this questionnaire asks about other infrastructure that has been created for the sake of tourism development at the local level, like the construction of roads, the provision of water supplies and sanitation, and other improvements in transport and

communication. This questionnaire consists of 4 groups of questions reflecting the social economic impact of tourism development in the rural areas of Tajikistan. Another unique aspect of this questionnaire is that in addition to the above-mentioned information it attempts to define the role of tourism in foreign aid and investment attraction and evaluate the impact of Covid-19 pandemic in the tourism sector in rural areas of Tajikistan.

### **3.5.1 Sample size**

The sample used for primary data collection includes respondents at the national and local level. First for defining the potential and challenges of rural tourism development in Tajikistan respondents were selected from the national and local level. The national level respondents include the Office of the President of the Republic of Tajikistan, the Committee for Tourism Development, the Ministry of Economic Development and Trade, the Committee of Rural Development, state and national universities, and tour companies operating in Tajikistan. These agencies were chosen because they are the main conduits for tourism and rural development policy, as well as for its implementation. Respondents were selected from the wide range of tourism stakeholders, particularly from the representatives of tourism development committees at the local level, government officials at the local level, representatives of host communities, tourism providing companies, and other organizations in the private sector. Considering the characteristics of the case study that requires in depth analysis the sample method used in this study was determined in a non-random way. The main reason behind this was to collect as much data as possible. Thus, it covers respondents from the central government to local government and geographically it covers all four regions of the country. Nevertheless, sampling covers more than 50% of the towns and districts in Tajikistan.

In total, 120 questionnaires were distributed to respondents at the national and local level representing all local regions of Tajikistan. The survey was conducted during November and December 2020. Of the total number of distributed questionnaires, 81% (97) of the respondents returned the distributed questionnaire. For the SWOT analysis the respondents to each question were asked to score the defined factors from 1 to 5, where 1 is equal to ‘strongly disagree’, 2 is equal to ‘disagree’, 3 is equal to ‘somehow agree’, 4 is equal to ‘agree’, and 5 is equal to ‘strongly agree’. Also, respondents were given freedom to add additional factors if desired in all four sections of the questionnaire. From the 80 factors listed the top significant factors were selected. The results of the first survey are analyzed and discussed in Chapter 6.

Table 3.3 Respondent profiles

|                   |                  | <b>Regions</b>          |              |                |             |              |
|-------------------|------------------|-------------------------|--------------|----------------|-------------|--------------|
| <b>Profile</b>    |                  | <b>Dushanbe and DRS</b> | <b>Sughd</b> | <b>Khatlon</b> | <b>GBAO</b> | <b>Total</b> |
| <b>Gender</b>     | Male             | 41                      | 11           | 11             | 8           | 71           |
|                   | Female           | 8                       | 8            | 6              | 4           | 26           |
| <b>Occupation</b> | Governmental     | 39                      | 13           | 14             | 9           | 75           |
|                   | Non-governmental | 10                      | 6            | 3              | 3           | 22           |

Source: Created by the Author.

The second sample aimed to identify the main research aim. In this regard, Tajikistan was selected as the subject of the study due to the existence of appropriate resources and its capacity to develop a tourism sector in rural areas. Due to the lack of relevant tourism sector statistics in Tajikistan, key informant questioning was selected as a tool for raw data collection. The questionnaire, detailed sampling plan and data base were designed on this basis.



The outbreak of Covid-19 affected the process of this research. It was planned that the data would be collected by the researcher in early 2021. But the restrictions caused by the COVID-19 pandemic changed the data collection schedule and finally the entire research process. Because the researcher was not able collect data himself, this activity was outsourced to the public organization “Fund for Poverty Reduction” (FPR) in Tajikistan. The face-to-face questioning was performed by FPR enumerators and covered respondents of the 38 target towns and districts in all four regions of Tajikistan (Table 3.2). The respondents are mainly from the representatives of the Committee of Tourism Development in the districts and towns and from the local governments involved in tourism planning and implementation. Data was collected during November and December 2021.

Table 3.4 Sample districts and towns

| <b>Regions of Tajikistan</b> |               |              |                |             |
|------------------------------|---------------|--------------|----------------|-------------|
| <b>#</b>                     | <b>DRS</b>    | <b>Sughd</b> | <b>Khatlon</b> | <b>GBAO</b> |
| 1.                           | Jirgatal      | Khujand      | Boghtar        | Khorog      |
| 2.                           | A. Rudaki     | Istaravshan  | Kulob          | Darvoz      |
| 3.                           | Roghun        | Isfara       | Norak          | Vanj        |
| 4.                           | M. Tursunzoda | Guliston     | Dangara        | Rushon      |
| 5.                           | Hisor         | Panjakent    | Baljuvon       | Shugnon     |
| 6.                           | Varzob        | Shahriston   | Muminobod      | Ishkoshim   |
| 7.                           | Rasht         | Buston       | Khovaling      | Roshtqala   |
| 8.                           | Shahrinav     | B. Gafurov   | Sh. Shohin     | Murgob      |
| 9.                           | Lyakhsh       | Konibodom    | N. Khusrav     |             |
| 10.                          | Faizobod      | S. Aini      | Vose           |             |

Source: Created by the Author.

It is necessary to mention that the researcher has advantages in data collection and ensuring the validity and reliability of the collected information. This is because of familiarity with the situation in Tajikistan having been working for government organizations in the country or the last 10 years, especially the last two years (2018-2019) at the Department of Strategic Planning and Reforms of the Executive office of the President of the Republic of Tajikistan, which is the main department for social economic development. Thus, in collecting the qualitative data, particularly for the overview of tourism development in Tajikistan and gathering secondary data from governmental organizations this advantage has helped to speed up data collection and analysis.

### **3.6 Data analysis**

In general, this research uses a quantitative approach with descriptive analysis, which includes appropriate data aggregation, measures of central tendency, and inferential statistics and prediction (Durbarry, 2017). To cover the lack of tourism statistics some qualitative approaches have also been used. Notably, the personal communication was used to get qualitative data for this research. Also, a review of the national academic literature, tourism development strategies and programs and legislative and regulatory documents was developed, and the trends in tourism development analyzed based on secondary data obtained from these sources. The research was designed in three main stages. The first stage overviewed the tourism formulation and development in Tajikistan from the historical perspective and explored the main stages of its development from the earliest perspectives. The second stage was to see the impact of tourism in the rural areas of the country and develop recommendation for policymakers. Further, based on the

results of analysis of the second stage the SWOT analysis was conducted to identify the potentials and challenges of tourism in local regions of the country.

### **3.6.1 Overview of tourism development in Tajikistan**

The sources of information for this overview were mainly Governmental organizations as described above. The overview starts from the early years of tourism formulation, covers the Soviet Union period, the collapse of the Soviet Union and economic stagnation in Tajikistan, and the revival of tourism post-independence. It also highlights the main programs and events that have been adopted and implemented in the country for the purpose of tourism development, the collapse of the Soviet Union and economic stagnation in Tajikistan, and the revival of tourism post-independence.

### **3.6.2 Case study analysis**

As mentioned earlier in this chapter a case study is a useful strategy for an in-depth analysis of situation. For this study, descriptive data on tourism were collected from the 38 districts and towns in Tajikistan and analyzed. For this, a data base was created. Quantitative data was tabulated and summarized using central tendency techniques and matrix observation to see whether the data correctly assessed the emerging trends. Using these data, the influence of tourism on the social economic development of rural areas was evaluated.

### **3.6.3 SWOT analysis**

SWOT analysis is used in this thesis to help in defining the internal and external environments of the tourism sector in Tajikistan (Evans, 2015; Schumann, 2006; Yu,

2005; Evans et al., 2003). SWOT methodology is recognized by international organizations as an analytical tool for strategic planning and management (Evans, 2015 p. 307) and stands for Strengths, Weaknesses, Opportunities, and Threats. The analysis of strengths and weaknesses should normally be based upon an internal analysis of an organization while the discussion of opportunities and threats should be based upon an analysis of the organization's external environment. The sequence of analysis is as follows:

- Analyze the external environment (Identify the key political, economic, social-cultural, demographic, natural/ecological, and technological forces that are most likely to affect the organization);
- Analyze the industry and competition (Identify and analyze individual and national level competitors);
- Identify the external opportunities and threats (Categorize the environmental factors in terms of opportunity potential and threat potential, then summarize the emerging implications for future organizational direction);
- Analyze the internal environment and identify internal strengths and weaknesses (Recognize the areas for scrutiny, for instance, product position, financial position, etc.); and
- Evaluate these internal strengths and weaknesses in terms of their strategic implications (Opportunities and threats).

When systematically done, the steps of the SWOT analysis cover all aspects of an organization. Thus, it provides a dynamic framework for choosing a *strategy* and the results provide clues to the strategists/managers in business and government on what they

need to take into account when making decisions. Based on the techniques of the SWOT analysis the collected data in this study were organized and using descriptive analysis and central tendency techniques (means and standard deviations), were analyzed for their information on the future requirements of Tajikistan's tourism industry (see Chapter 5, section 3).

### **3.7 Conclusion**

To sum up this research uses a case study strategy with a mixed methods approach to analyze the role of tourism in rural development of Tajikistan. Both, qualitative and quantitative data was gathered through interview and survey. The data was tabulated and analyzed using the techniques of descriptive analysis. Based on the objectives of the study the impact of tourism in social economic development of rural areas of Tajikistan was determined. Next, a SWOT analysis was conducted to identify the potentials and challenges of tourism in the rural areas of Tajikistan. Given the lack of statistics and the fact that data collection was outsourced, some personal communication has been used for clarification of the collected data.

## **CHAPTER 4: OVERVIEW OF TOURISM DEVELOPMENT IN TAJIKISTAN**

### **4.1 Introduction**

After the collapse of the Soviet Union Tajikistan gained independence in 1991. The Government of Tajikistan implemented social-economic reforms (GoT, 2007). From the early days of independence, the Government tried to reform the economic sector and transfer from the previous planned based economy to a market economy. Unfortunately, in the first years of its independence, Tajikistan faced political stagnation and civil war (1992-1997) that cost its economy more than US\$ 10 billion and led to rapid impoverishment (GoT, 2007; TLSS, 1999). In 1997 as a result of the Peace Agreement (Iji, 2010) for the first time after independence the economy of Tajikistan achieved a positive growth rate (1.7 percent) (GoT, 2007). In the transition period to political stability and improvement of the population's living standards a number of legal and legislative documents were developed and adopted, as well as social-economic development programs and other strategies to ensure economic development and improve living standards in the country.

One of the potential sectors for employment creation in Tajikistan was seen to be the tourism sector (GoT, 2007). The national development strategies of Tajikistan until 2030 define tourism as a potential sector for contribution to social-economic development. For this, tourism development programs were developed, and a Committee for Tourism Development established under the Government of the Republic of Tajikistan (GoT, 2017). Also, tax and custom preferences for the import of equipment and materials needed for tourism development were adopted.

This chapter reviews and analyzes the process of tourism formation and development in Tajikistan, particularly describing government measures and policies towards tourism development and its trends during the period of the Soviet Union and independence. This is one of the first studies that systematically reveals the chronology of tourism development in Tajikistan and discusses the stages of tourism formation and development.

#### **4.2 Review of the Tajik literature on tourism sector**

Review of the Tajik development literature shows that after gaining independence and political stabilization in the country a number of research studies were carried out in the tourism sector (Kadirova, 2006; Pivovarova, 2010; Azimova, 2010; Sanginov, 2010; Yorov, 2010; Safarov, 2011; Sanginov, 2012), but except for Yorov (2010), who researched “The effectiveness of rural tourism and its impact on development of agricultural sector” and Safarov (2011) whose research is directed towards the exploration of the economic aspects of state regulation of the tourism sector in the transition period, these studies are more oriented towards the pedagogical and historical aspects of tourism and do not sufficiently cover the economic aspects of the tourism sector.

For example, Kadirova (2006) studied the pedagogical aspects of tourism focusing on the existing problems of the country. The main findings of her analysis indicate that the prerequisites for teaching tourism in the education system are to be found in the process of policy formulation. The main problems that she defined in her study are the lags in tourism education. Similarly, Azimova (2010) studied the pedagogical aspects of the preparation of professional managers in the tourism sector in Tajikistan. In her study she tries to define what is needed for Tajikistan to train and prepare managers to

international standards. She analyzes the current situation and suggests recommendations for the preparation of professional managers in the universities and colleges of the country. In her research she also mentions the lack of professional managers as a challenge that hinders tourism development in the country.

Sanginov (2011) studied the legislation in the tourism sector in Tajikistan. In his dissertation he mainly describes the legal regulations adopted for tourism activities. Another study that investigates the history of tourism in Tajikistan was conducted by Pivovarova (2010). She researched the historical aspects of tourism in Tajikistan in the 20<sup>th</sup> and early 21<sup>st</sup> centuries. In her study, she divides tourism development into two main periods. First, the history of tourism during the Soviet Union, where she mainly describes the activities of the Government in the formation of the tourism sector in Tajikistan. She defines main five factors that encapsulate tourism development in Tajikistan. These are: exploration of the Pamir (Gorno Badakhshon Autonomous Oblast), the appearance of the transport and communication system; the development of basic infrastructure (roads), the formulation of resorts and tour bases, and the development of alpinism, which was one of the main attractions/activities for foreign tourists during the Soviet Union period.

Pivovarova (2010) also studied the formation of the institutions and legislative actions for the tourism sector in Tajikistan. Although the author describes tourism development in the early years of independence, she does not analyze the real influences on or the factors hindering tourism development, instead she briefly describes the situation after independence. However, this does not reduce the value of her research since she investigated the historical development of tourism, and this is widely used in the present study. Also, Safarov (2011) researched the mechanisms of the state regulation



of tourism in the transition period and attempted to analyze the state regulation as a mechanism of tourism development in Tajikistan.

These studies discover separate aspects of the tourism sector in Tajikistan, but they are more oriented to pedagogical, historical, and legal aspects and do not sufficiently reflect the social-economic aspects of tourism. Moreover, they are mainly based on secondary data and lack empirical evidence. In the author's opinion the focus of tourism development should be the development of new models considering the social-economic benefits for the country. This is because there is insufficient research about the social-economic aspects of tourism in Tajikistan, especially on its impact on rural development.

#### **4.3 Tourism development in Tajikistan during the Soviet Union period**

Tourism development as it is currently seen started in the second half of the 20<sup>th</sup> century in Tajikistan. However, the existing information and historical evidence shows that travel through the territory of the Tajiks' ancestors was a common phenomenon and dates back to the 9-10th century at least. The evidence can be found in historians and geographers' travel notes where they describe high mountains, climate and nature, flora and fauna, population hospitality, and the cities of Tajikistan. Another record of the existence of travel/tourism in Tajikistan before the invasion by the Soviet Union are the stories about "The Silk Road", which also passed through the territory of Tajikistan.

Likewise, famous Tajik scientists and poets traveled and wrote notes about the cultures and living standards of the other parts of the world. For instance, Nosir Khusrav (1003-1088) a famous Tajik poet, traveled for 7 years in the Middle East countries. In his book "Safarnoma" (Travel notes) he mentions that he visited Jerusalem, Damascus, Alexandria, Thais, Cairo, Egypt, Aswan, Mecca, and Medina, Hijaz and Yemen in the

years 1045 to 1052. Other famous Tajik scientists and poets like Asadi Tusi (XI century), Saadaddin Noziri (1247-1320), Kamol Khujandi (1321-1400), and others traveled to different parts of the world and wrote notes about their travels and inspirations (Pivovarova, 2010).

It is also necessary to mention that the famous Venetian trader and traveler Marco Polo, traveled to Central Asia in the late 13<sup>th</sup> century and developed his imagination and inspiration in his book “The Travels of Marco Polo”. In his travel notes Marco Polo mentions the high mountains of the Pamirs, of Tajikistan, their beautiful flora and fauna, and the tradition and culture of the local people. These travelers’ had purposes in line with exploration of new destinations were also keen to engage in trading and finding trade partners. This brings us to the idea that before the October revolution in 1917 tourism existed in the territory of modern Tajikistan as business (trade) travel.

However, the first elements of modern leisure tourism in Tajikistan were developed during the Soviet Union period, particularly the first half of the 20<sup>th</sup> century. Starting from the 1930s the development of travel infrastructure and the geographic exploration of the country's territory was begun. Particularly, studies of unexplored places in the country’s territory were made. New and more precise maps of the territory of the country were developed, which identified these unexplored places. Furthermore, in the 1930s communication and road systems were developed that led to the emergence of road, rail, and air routes communication between the cities inside Tajikistan. Construction of roads and the first railway to the capital city, bridges over the rivers of the country, and construction of the connection roads from Dushanbe (the capital city) to other regions of the country was carried out in the first half of the 20<sup>th</sup> century (Luknitsky, 1955).

According to Pivovarova (2010) the first tourist facility for the purpose of recreation and leisure was founded in 1932. It was built in the Varzob gorge. Likewise, tour bases “Iskandar kul” (lake) and “Sarez” for high climbers and tourists started operation. Also, a scientific station was built, with designated places for guests, on the “Fedchenko glacier”, which led to the development of alpinism for soviet and foreign tourists in the mountains of Tajikistan. On the high mountains and ridges, sanatoriums, resorts, and recreation houses that served climbers and people looking for health care were built.

Furthermore, the country began the study and exploration of tourism potential, the formation of industries related to the tourism sector, the creation of specialized enterprises to produce tourist services, and supported the emergence of comprehensive services for tourists (Pivovarova, 2010). In 1932 the tourist and excursion administration of the Central Council of Professional Unions that was designated to provide the organization of tourism and excursion in the local areas of Tajikistan was established. Sports tourism was formulated based on alpinism and stimulated the system of voluntary sports societies. In 1934 in the east part of Tajikistan expeditions undertaken by sport organizations with the purpose of mountaineering ascents and alpinism to the high peaks of the Pamirs started appearing. Further, various competitions in alpinism were held and the best tourist routes that promoted the development of mountain and sport tourism developed. This phenomenon led to the appearance of soviet and foreign tourists in the mountains of Tajikistan (Pivovarova, 2010).

In the second half of the 20<sup>th</sup> century the preparation of specialist and tourism instructions, especially for alpinism, began. In 1959 an organized training camp for tourism instructors and guides, which attracted 96 people, was held for the first time in

Tajikistan. They gained basic tourist training and were involved in the country's local alpinism and tourism development. Participants of this course were further recruited to workshops and seminars for enterprises and educational institutions in the capital of Tajikistan that covered 250 expected tourists (Pivovarova, 2010). Also, 25 tours in different routes inside the country were developed. However, due to the absence of centralized tourism management institutions the tourist opportunities of the country were not utilized efficiently. The Council of Professional Unions used this experience gained by the enterprises and educational institutions, which was initiated by the training camp method in the early 1960s, to establish the State Tourist and Excursion Department under the Council of Professional Unions of the Tajik Soviet Socialist Republic (TSSR).

The tourist and excursion department was the beginning of a new period in the development of tourism in Tajikistan, characterized by mass tourist movement and the formation of a national tourist product and tourist physical and technical base. These activities stimulated tourism formation and development in Tajikistan. This period saw the emergence of the first tourism definition, which at that time was understood as “a type of activity for recreation, which includes journeys with the aim of exploring new regions, new countries, and other activities combined with sports” (Pivovarova, 2010, p. 73). Moreover, due to the absence of a specific tourism law, tourism was defined as a type of travel for the purpose of outdoor activity, exploration of new destinations and sports activity. According to Vavilova (2005), all tourism issues were regulated in accordance with Soviet Union legislation.

International tourism institutions/organization in the TSSR were mainly formulated in the second half of the 20<sup>th</sup> century. The main ones were the State Committee of the Union of Soviet Socialistic Republics (USSR) for foreign (international) tourism,

the Bureau of International Youth Tourism “Sputnik”, and the Central Council for Tourism and Excursion. Later, in 1962 the tourist and excursion department were reorganized into the Council for Tourism and Excursions and a coordinating organ in Moscow was established, the Central Council for Tourism and Excursion<sup>1</sup>.

The creation of tourist organizations led to increasing numbers of tours and excursions and the formation of tourism infrastructure in Tajikistan. Several resort and sanatoria like “Obi Garm”, “Khoja Obi Garm” and “Shohambari” started actively receiving tourists. In 1960s the tour base “Iskandarkul” was established with a capacity of 60 people in the Aini district<sup>2</sup>. Furthermore, recreation houses, pension houses, sanatoriums and tour bases were established that were equipped with necessary facilities for recreation and health tourism. The establishment of tourism infrastructure led to increases in the number of visitors. According to TSSR statistics the number of tourist facilities doubled during 1980-1989 (Table 4.1).

Table 4.1 Dynamics of tourist and recreation facilities in 1980-1989 in the TSSR

| #  | Years | Number of tour bases | Number of sanatoriums and recreation facilities | Number of recreation centers | Number of recreation houses | Total number of tourist facilities | With total capacity of places (beds) |
|----|-------|----------------------|---|------------------------------|-----------------------------|------------------------------------|--------------------------------------|
| 1. | 1980  | 3                    | 63  | 5                            | 9                           | 80                                 | 13,229                               |
| 2. | 1985  | 4                    | 73  | 12                           | 10                          | 99                                 | 18,496                               |
| 3. | 1986  | 4                    | 77  | 15                           | 10                          | 106                                | 20,119                               |
| 4. | 1987  | 3                    | 85  | 24                           | 9                           | 121                                | 21,319                               |
| 5. | 1988  | 4                    | 98  | 34                           | 8                           | 144                                | 25,485                               |
| 6. | 1989  | 4                    | 98  | 33                           | 8                           | 143                                | 26,824                               |

Source: Pivovarova (2010), modified by the Author.

<sup>1</sup> Big Soviet encyclopedia. <http://bse.sci-lib.com/article106999.html> Russian.

<sup>2</sup> The edge of sun mountains and travel. A working decree p.102.

By 1989 143 tourist and recreation facilities that promoted tourism development were functioning in Tajikistan. The number of visitors to these recreation and tourist facilities increased from 151,400 in 1980 to 347,300 in 1989. Detailed information on the number of visitors to each type of tourist and recreation facility during 1980-1989 is provided in Table 4.2. The creation of infrastructure stimulated the organization of international gatherings and workshops. For example, in 1962 in the Pamirs a joint Soviet Union and Great Britain sport expedition that brought many visitors to the country was held. Likewise, in 1969 in Tajikistan international meetings of alpinists were organized in which representatives of Austria, Bulgaria, Hungary, Italy, Mongolia, Nepal, Poland, Rumania, France, Germany, Yugoslavia, and Japan participated. These international alpinist meetings contributed to the emergence of international tourism, and the introduction in Tajikistan of a perspective on sport tourism and mountain tourism. Sport tourism in Tajikistan includes hiking, skiing, cycling, and others (Pivovarova, 2010).

Table 4.2 Number of visitors to tourist and recreation facilities in 1980-1989 in the TSSR (in thousands)

| <b>Tourism facility</b>      | <b>1980</b> | <b>1985</b> | <b>1986</b> | <b>1987</b> | <b>1988</b> | <b>1989</b> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Tour bases                   | 86.8        | 134         | 200         | 248         | 253         | 245         |
| Sanatoriums and dispensaries | 44.9        | 47.8        | 50.6        | 56.4        | 61.8        | 64.6        |
| Recreation houses            | 19.6        | 27.7        | 23.1        | 23.8        | 27.3        | 25          |
| Recreation centers           | 0.1         | 3.7         | 5.2         | 7.2         | 13.3        | 12.7        |
| Total number of visitors     | 151.4       | 213.2       | 278.9       | 335.4       | 355.4       | 347.3       |

Source: Pivovarova (2010), modified by the Author.

In 1929 in the Soviet Union an All-Union Joint Stock Company “Intourist” (Kizima and Kizima, 2018) was established for the regulation of international tourism. In

TSSR, however, institutions for international tourism regulation appeared later. A division of Joint Stock Company (JSC) “Intourist” was established in 1955 and the Bureau of International Youth Tourism “Sputnik” in 1971. Later, in 1973 the Intourist division of JSC was renamed the Department for International Tourism under the Council of Ministers of the TSSR and in 1983 was reorganized into the State Committee of the TSSR for International Tourism.

Although the exact number of outbound tourists is not available, according to official statistics in 1989, groups of specialist and tourist Tajik residents visited 27 countries as delegations (Pivovarova, 2010). In the early 1990s before the collapse of the Soviet Union the Council of Ministers of the TSSR adopted regulations on establishment of the “Tajikistan Tourism Association”. Also, with the aim of effective utilization of natural resources in Tajikistan the “Long-term complex state program for environmental protection and rational utilization of natural resources of TSSR for the XIII five-year plan and until the period of 2005” by Decree of the Council of Ministers of TSSR, was adopted. However, due to the political reforms of the 1990s and the collapse of the Soviet Union this program was not implemented (Pivovarova, 2010).

Based on the above-mentioned information it can now be concluded that in the first half of the 20<sup>th</sup> century in the TSSR stress was put on completing the geographical and ethnographical identification of territories and developing maps of the unknown destinations of the country, especially the GBAO. Also, the authorities identified and described the distance between the urban and rural areas, reconstructed roads between regions, developed other communication and transport means, and established enterprises for tourist services and products, and so on. The first types of tourism that emerged in the TSSR was health and recreational tourism, sport and alpinism, and cultural tourism. In

the second half of the 20<sup>th</sup> century the Government of TSSR paid more attention to international tourism and established its main components. As we have seen, an outbound tourism industry and its institutions gradually emerged. However, the collapse of the Soviet Union destroyed most of these tourism institutions and recreation centers and led to a restructuring of the tourism sector in sovereign Tajikistan, which will be analyzed in the next section of this chapter.

#### **4.4 Acquisition of independence and the transition period**

Tajikistan gained independence in the 1990s as a result of the collapse of the Soviet Union but had an underdeveloped tourism infrastructure. In many cases regulatory and legislative bases and the organization of tourism management lost their legal powers within the former Soviet Union countries. However, the regained sovereignty of Tajikistan removed some obstacles and expanded opportunities for international tourists and visitors. Tajikistan started reforming its socio-economic legislative and regulatory systems for social and economic development soon after. Nevertheless, in the early years of its independence Tajikistan faced serious political stagnation as civil war affected the country for the 5 years 1992 to 1997. The civil war destroyed most of the facilities and made Tajikistan an unsecure and unsafe destination for visitors. The economic system inherited from the Soviet Union did not work in the newly independent country. The collapse of the Soviet Union also stopped budget allocations from Moscow and disabled the majority of businesses in Tajikistan. As a result, GDP declined sharply, inflation grew by three digits per year, reducing income and increasing inequality between populations. Coupled with limited income opportunities this caused impoverishment and poverty. Furthermore, the civil war worsened the transition process in the country (GoT, 2007).



Revival of the modern tourism management system in Tajikistan began during the hardest political and social economic period of the country's development. The centralized management system in the tourism sector, which was developed in the Soviet Union, was fundamentally reformed in the first years of independence. Acquisition of independence granted Tajikistan the right to perform as a permanent member of the international community and to cooperate with all countries around the world. Especially, in the tourism sector Tajikistan began the reformulation of regulatory and legislative frameworks at the national and international level. One of the earliest agreements designed to implement this aim was the *Agreement of the State Members of the Commonwealth of Independent States (CIS)* signed in Ashgabat, Turkmenistan: “On cooperation in the field of tourism” in 1993, which contained 13 articles. These included the: “formation of common tourist routes, convergence of regulatory documents on the tourism sector, introduction of a unified international classification system of tourist services, a unified information network, simplification of border crossing, customs and other formalities related to tourist exchange, ensuring the social protection of tourists, carrying out regular contracts of state bodies for tourism management to develop and implement a general strategy for tourism development, the development and implementation of interstate programs and individual projects for the development of tourist regions of mutual interest, ensuring the comprehensive development of the tourism industry, and others” (CIS, 1993).

This agreement was one of the earliest steps taken by Tajikistan towards tourism formulation in the framework of international tourism, particularly within the former Soviet Union countries. Furthermore, the Government of Tajikistan signed and ratified various documents on bilateral and multilateral bases that laid the foundation for tourism

development in the country. Other documents that was accepted for tourism development was the Manila Declaration on World Tourism. and the Hague Declaration on Tourism (Pivovarova, 2010).

In 1994 the Government of Tajikistan adopted another Decree: “On the procedure for granting the right to economic entities implementing foreign tourism and the registration of their documents”. This Decree gave economic entities the right to individually implement foreign tourism activities and served as framework for the transition of the tourism sector from a centrally planned economy to a market economy. It envisaged the involvement of the private sector in tourism development, particularly the creation of infrastructure for the tourism industry with international standards, the formation of a competitive market for tourism services and increasing the level of service in the field of international tourism. Furthermore, with the aim of tourism development and the creation of the necessary conditions, the regulation of tourism in the country was formulated through a national company of the Republic of Tajikistan “Tajiktourism”, which was designated as a state agency operating on the basis of self-financing. However, Tajiktourism was later renamed and transformed into the State unitary tourism enterprise “Saiyoh”. This organization was recognized as a “state organization operating on the basis of a bilateral agreement with the Ministry of Economy and Trade of the Republic of Tajikistan - a government authority in the field of tourism and is supposed to assist in the implementation of state policy in the field of tourism, as well as in the coordination of tourist activity in the country (Pivovarova, 2010).

The main task of the “Saiyoh” enterprise is to assist the government in the implementation of state policy, development of the existing infrastructure, and achievement of national priorities taking into account international experience. Also,

during the life of this organization proposals were developed for the formulation of the legal, economic, and organizational grounds for the development of all types of tourism (inbound, outbound, and domestic tourism); assistance for tourism enterprises, including foreign companies operating in the territory of Tajikistan in implementation of their activities, and ensuring control by the government in the field of tourism. Besides this, the “Saiyoh” enterprise was obligated to develop proposals for investment attraction and project implementation; assistance in the implementation of the long-term national development programs; and cooperation on bilateral and multilateral agreements in the field of tourism and recreation (Pivovarova, 2010).

It is necessary to mention that the attraction of investment to the economy was one of the priorities of the country from the early days of independence. For example, the President of the Republic of Tajikistan, H.E. Emomali Rahmonov announced that tourism was a priority sector of the economy and invited foreign countries to invest in this sector in Tajikistan at several international conferences: “The Republic of Tajikistan is open for establishing and expanding partnerships and mutually beneficial cooperation with all countries of the world. Tajikistan is making an effort to create favorable investment climate for foreign investment (Rahmonov, 1998).” Also, speaking about priority sectors he mentioned tourism as another promising sector for investment: “tourism is another sector with huge potential for social economic development in Tajikistan (Rahmonov, 2000). The development of tourism will stimulate inflow of international tourist and can benefit both investors and local people”.

To create the necessary infrastructure for tourism development in accordance with international standards the Government of Tajikistan started to build tourism infrastructure. Tourist accommodation was constructed or rebuilt. For instance, in 1995

the Hotel Dushanbe in the capital was reconstructed and upgraded in accordance with international standards to “four stars” level (GoT, 1995). All of this took place during the hard times of the ongoing civil war and a transition economy. After acquisition of independence and the end of the civil war, the Government of Tajikistan adopted number of legal and legislative documents for tourism development and its regulation at the national and international level. It should be mentioned that due to the absence of a separate agency for the coordination of tourism in the country and the traditional relationship of tourism to sport and nature activities (alpinism, rafting, mountain climbing) the affairs of tourism were partially regulated by the Ministry of Environment Protection of the Republic of Tajikistan (GoT, 1995), in accordance with the “Regulations On the Committee for physical culture and sports under the Government of the Republic of Tajikistan”, approved by Decree of the Republic of Tajikistan.

According to this Regulation, the Committee for Physical Culture and Sports is a state government body, the main tasks of which in the field of tourism are: implementation of state policy in the field of sports, recreation and mountain tourism and their development; the regulation of patent and licensing relations in the field of mountain tourism, with the release of sports and tourist equipment and sports uniforms; the creation and strengthening of the material and technical base of mountain tourism and the implementation of interregional, national and international physical culture wellness relations (GoT, 1995). Furthermore, the Committee for Physical Culture and Sports was obligated to determine the main directions of tourism in the country and develop and implement program and plans for mountain tourism. To do this, it carried out joint activities with the Ministry of Education in the field of tourism; coordinated the activities of associations, enterprises, organizations, and institutions in the field of mountain

tourism, strengthened the capacity of specialists, advertised, and provided information about the business opportunities of the country. It also participated in the prescribed manner in the preparation and implementation of international and interregional agreements, as well as in intergovernmental agreements on issues related to tourism; held international, interregional and national competitions, training and sports camps, and sports and tourist and mountaineering expeditions; issued regulations on competitions, as well as orders and instructions binding on all associations, enterprises, institutions, organizations in the field of mountain tourism, regardless of their departmental affiliation (GoT, 1995).

However, as mentioned earlier, the Ministry of Economy and Trade was the government authority in the field of tourism regulating overall tourism development policy and the implementation of the programs. Also, due to absence of a sectoral law similar to the Tourism Nation Basic Law of Japan for many years, the performance of the tourist was regulated by the Law of the Republic of Tajikistan “On the legal status of foreign citizens in the Republic of Tajikistan” (from February 1, 1996 #230), and later by the Decree of the Government of Tajikistan “On Rules for the stay of foreign citizens in the Republic of Tajikistan and the Rules for the transit of foreigners through the territory of the Republic of Tajikistan” (from May 15, 1999 #218). Also, some aspects of tourism and tourist activities were regulated by the Law of the Republic of Tajikistan “On physical culture and sports” (from May 15, 1997, #413), which defines the competence of local government bodies in the field of physical culture, sports and, in particular, tourism. Article 13 of this Law specifies that state and non-state organizations, enterprises, institutions, and associations, regardless of the form of their ownership and institutional subordination, should create conditions for their employees and their families, including

those for rehabilitation and professional applied classes during the working day in sports and tourism. This Law also regulates labor activity in the field of physical culture, sports, tourism and recreation, as well as the training of specialists and the certification of workers in the fields of physical culture, sports and health tourism (GoT, 1997).

In Tajikistan, the main regulatory and legal document on the tourism sector, defining the legal, social economic, and organizational framework for tourists, is the Law of the Republic of Tajikistan “On Tourism” (from 3 September 1999, # 824 updated from 7 August 2020, #17171). This Law determines all aspects of tourism and defines the concept of tourism as a type of occupation, which is a system of organization for leisure, recreational, educational, religious commercial, sports, professional-business and other purposes for a means of travel and associated with temporary stay outside of usual residence; and the term tourist as a citizen, a consumer of tourist services staying outside her/his permanent place of residence in the country, temporarily staying in recreational, educational, religious, commercial, sports, professional-business and other purposes, related to the “tour”. This law also defines the following categories of tourism: internal, outbound, inbound, social, individual, mountain, mountaineering and alpinism.

According to the Law “On tourism” the main types of activities in the tourism sector of Tajikistan are identified as: organization of reception and offering services within the framework of educational, ecological, mountain-sports, alpinism, entertainment, and the direction of tourists abroad for the purpose of recreation, study, treatment, religious pilgrimage, and commerce; organization of mass tourism and recreation, and the development of specialized and other events related to tourism.

#### **4.5 Political stability and tourism development reforms**

Starting from the 2000s Tajikistan entered a new era of social economic development. Political stability ensured economic growth and implementation of national development strategies and programs. Further, the formation of sectors of the economy based on the principles of the market economy with focus on support to the poorest groups of the population was achieved. As mentioned in the previous section, the Ministry of Economy and Trade was the government authority in the field of tourism. The main task of which was the elaboration and development of social and economic policy, particularly in the field of tourism, licensing tourist activity, the development of proposals for the proper utilization of tourism resources, certification of the goods and services of the tourism industry, control of the quality of the tourist product and services, attraction of investment to the tourism sector, and creation of a state system for the training and preparation of personal for the tourism sector (GoT, 2001). Also, in accordance with this decree, the Ministry was given broad managerial and controlling jurisdictional powers to coordinate cooperation of the ministries and agencies in Tajikistan, particularly for the implementation of state policy related to the tourism sector, the creation of trade and tourism missions abroad, monitoring the activities of tourism enterprises, the preparation of scientific proposals for tourism development, and organizing workshops for discussion of tourism problems.

Furthermore, to ensure the effective implementation of state policy in the field of tourism and the proper use of natural resources by the Government of Tajikistan the Ministry developed and adopted regulatory documents. Especially, the procedures for licensing tourism activities in the Republic of Tajikistan, and mandatory payments for use of natural resources (GoT, 2002) and the State cadaster of tourist resources of the Republic of Tajikistan (GoT, 2001). These documents along with the Law on Tourism

laid the regulatory framework, determined conditions for legal entities and individuals engaged in tourism activities and the status of tour provider companies, defined the tourist potential of the country, including cultural and historical sites, nature, and recreation, as well as the infrastructure of regions.

When the Peace and National Accord Agreement was signed in 1997, it laid down the basis for the formation and development of social economic sectors. For the first time after acquisition of independence economic development was evident (GoT, 2007). Furthermore, with the aim of living standards improvement the Government of Tajikistan adopted social economic development strategies and programs and implemented action plans. The main measures for the development of tourism under the peace accords, which also influenced the evolution of the tourism sector in Tajikistan, were the following: with the purpose of tourism development in 1999 the Varzob district was announced as “a recreation and tourism zone (GoT, 1999)”, and the Concept of Development of the Varzob district adopted a target program for the development of the district as a recreation area, sanatorium treatment, and tourism area for the period 2000-2010. Furthermore, with the aim of revival of international tourism in 2001, by the Decree of the Government of Tajikistan the Baljuvon District was announced as a “international tourism zone” and adopted a comprehensive program for 2002-2012 (GoT, 2001).

These programs envisaged development of the background or prerequisites of tourism in the target area, which include creation of infrastructure, reconstruction of hotels, attraction of investment, development of cultural and entertainment centers, and advertisement of tourist potentials within and outside of the country. Also, in 2001 the “Regulations on the Sarazm Historical and Archaeological Reserve in the Penjakent District” was approved. According to this Regulation, the Sarazm Historical and



Archaeological Reserve, in line with its other archeological tasks, should carry out: “cultural and educational work (excursion work at its facilities and the organization of excursion services)”, both for the local population and tourists arriving in Penjakent, including the exchange of exhibitions with other museum guides and other events, and the publishing of booklets promoting the monuments of history and culture of the country at the national and international level. Also, with the aim of conducting research and studies with purpose of tourism development, the preservation of landscapes, historical and cultural resources, and unique ecological systems were formulated. One of these was Tajik National Park in the east part of the country. Similarly, in 2003 “Sari Khosor Natural Park” as a part of the National Park of Tajikistan in the Baljuvon district of the Khatlon region was established.

These activities were among the very first steps taken by the Government of Tajikistan to lay a foundation for tourism revival and development. In addition, the Government implemented measures for integration with international tourism organizations. Particularly, in 2007 to integrate to the world tourism market, Tajikistan became a member of United Nations World Tourism Organization (UNWTO) and started cooperation with this organization. Membership of UNWTO allowed Tajikistan to perform and participate in the international forums and conferences and introduce the tourist potentials of the country. Moreover, tourism legislation has been revised and updated according to principles of the market economy. Tourism legislation in Tajikistan includes the complex of legal and regulatory documents. These include laws, decrees of the Government, orders of the President, and concepts and strategies for tourism regulation and development. For more detail see table 4.3. These documents are the main

legislative base for tourism and all the affairs of tourism are regulated in line with their terms and conditions.

Table 4.3 Tourism legislative and regulatory base in Tajikistan

| #   | Type of documents                                      | Name  | Date of approval and number                             |
|-----|--|---|---|
| 1.  | Law of the Republic of Tajikistan                      | Constitution of the Republic of Tajikistan  | 1994/11/06  |
| 2.  | Law of the Republic of Tajikistan                      | On tourism  | 1999/09/03, # 824 in new addition<br>2020/08/07, # 1717 |
| 3.  | Law of the Republic of Tajikistan                      | On Licensing of certain types of activities   | 2007/04/03, # 172                                       |
| 4.  | Decree of the Government of the Republic of Tajikistan | On the Concept of tourism development in Tajikistan for the period 2009-2019  | 2009/04/02, #299  |
| 5.  | Decree of the Government of the Republic of Tajikistan | On the Program of tourism development in Tajikistan for the 2010-2014   | 2009/05/28, #299  |
| 6.  | Decree of the Government of the Republic of Tajikistan | On the Program of tourism development in Tajikistan for the 2015-2017   | 2014/12/28, #738  |
| 7.  | Decree of the Government of the Republic of Tajikistan | On the Plan of action for improvement of investment climate in tourism sector in the Republic of Tajikistan                                       | 2014/05/03, #301  |
| 8.  | Decree of the Government of the Republic of Tajikistan | On an interdepartmental council for coordination of activities in tourism sector under the Government of the Republic of Tajikistan               | 2015/09/05, # 564;                                      |
| 9.  | Decree of the Government of the Republic of Tajikistan | On the Tourism development program of the Republic of Tajikistan for the 2018-2020  | 2018/03/01, #80   |
| 10. | Decree of the Government of the Republic of Tajikistan | On the Tourism development strategy of the Republic of Tajikistan for the period up to 2030   | 2018/08/1, # 372  |
| 11. | Decree of the President of the Republic of Tajikistan  | On the Action plan regarding “the years of rural, tourism and folkcrafts”   | 2019/03/06, #АИ-1176                                    |
| 12. | Decree of the Government of the Republic of Tajikistan | On an action plan for implementation of the Tourism development strategy of the Republic of Tajikistan for the period up to 2030 during 2019-2022 | 2019/05/31, #270  |
| 13. | Law of the Republic of Tajikistan                      | On the Craftsmanship  | 2019/07/20, #1619                                       |

Source: Created by the Author.

## **4.6 Strategic planning for tourism development and rural urban disparities**

### **4.6.1 Tourism development programs**

One of the comprehensive social economic development programs adopted was the Poverty reduction strategy for 2002-2006 years (GoT, 2002). The main objectives of the Poverty Reduction Strategy Paper (PRSP) were to increase the real income of the population, achieve a fair distribution of the benefits of growth, and ensure a rise in living standards of the poorest groups of the population. PRSP was a broad social economic document and consisted of 7 sections and 27 sub sections. It analyzed all the sectors of the economy and planned distinct measures for their implementation. Along with other sections the PRSP contained an “Environmental protection and tourism” section. Tourism in the PRSP was described as a means of employment creation and income generation. The main task and measures defined in the PRSP for tourism development at the national level was to develop and build the private sector and support their initiatives. Government measures relied on removing obstacles of an administrative nature and the creation of a positive image of the country as a tourist destination (GoT, 2002).

The PRSP assessed the problems and priorities of the tourism sector. The problems of this sector characterized in the PRSP are the low awareness of local people, economically unattractive markets, low competition, weak and undeveloped infrastructure, (the majority of tourism facilities that were built during Soviet Union were destroyed or did not correspond to international tourism requirements) and the absence of modern tourism facilities like hotels, restaurants, and recreation centers. Also, the legislative base was not developed, there was weak capacity and limited funding available, particularly from the national budget. The PRSP proposed measures for addressing these problems and developing tourism. Total financial needs for its implementation were

estimated at 690 million US dollars from the budget for “Environmental protection and tourism” of 3,415,000,000 US dollars. However, the majority of the financial sources in the PRSP were described as external sources and were not well defined, which hindered PRSP implementation.

Nevertheless, a review of PRSP implementation shows that during 2002-2006 a number of legislative and regulatory documents for support and development of tourism, especially ecotourism, mountain tourism and alpinism and a simplified visa regime for EU, USA, Japan, and some other Asian countries were adopted. For instance, in 2005 the Government of Tajikistan adopted the resolution: “On issues of state support for the development of ecotourism, mountain and sports tourism, and alpinism in the Republic of Tajikistan” (GoT, 2005). Also, the local governments of the Gorno Badakhshan Autonomous Oblast, the Varzob district, the Baljuvon district, and Vahdat city were instructed to develop targeted programs for the development of tourism and the preparation of specialists in the tourism sector in cooperation with the Ministry of Economy and Trade. Also, State institutions for specially protected natural areas such as "Tajik National Park" were established. The specially protected natural areas which came under the Tajik national park system were: Parks “Zorkul”, “Dashti Jum”, “Tigrovaya Balka”, and “Romit”.

To achieve the goals of PRSP the Government of Tajikistan developed and adopted the State tourism development program in Tajikistan for the period 2004-2009 (STDP), the main goal of which was the creation of modern, efficient coordination and competitive tourist complexes that provide a wide range of opportunities to meet the needs of citizens of the country and foreigners in a variety of tourist services. This required the development of economic and legal mechanisms for priority support of inbound and

domestic tourism, ensuring a steady inflow of foreign currency into the economy, and the development of related sectors of the economy. In addition to the above-mentioned program several sectorial development program and action plan for improving tourist infrastructure and condition of the recreational zone in Tajikistan were adopted. These PRSP became the baseline for social-economic development in Tajikistan and emphasized tourism as a factor in social economic development in the country.

Based on the objectives of the PRSP and STDP in 2006 the Committee on Youth Affairs, Sports and Tourism was established under the Government of the Republic of Tajikistan. The Committee was the central body of executive power in the field of youth policy, sports and tourism, performing functions of developing state policy and legal regulation in the field of youth, sports and tourism development (GoT, 2006). The Committee was endowed with broad authority. Particularly, in the field of tourism this covered the development of legislative and legal bases, determination of priority directions, development of programs and plans for tourism development, investment attraction, expanding cooperation with international organization, organizing international, regional, and national conferences, festivals, and forums, advertising the tourist potential of the country, and so on. So, starting from 2006 the Committee became a state authority and regulation agency for the development and implementation of policy for the tourism sector and the provision of tourism development in Tajikistan.

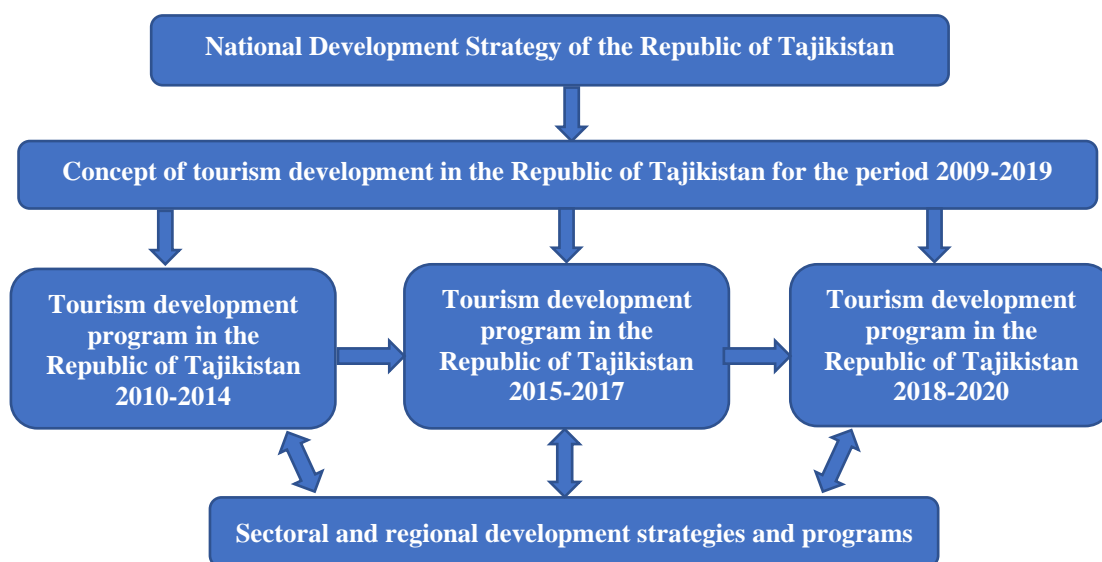
However, an additional special impulse for tourism development in Tajikistan was given within the framework of the National Development Strategy of the Republic of Tajikistan for the period to 2015 (NDS, 2015). This was the main program that envisaged the development of all aspects of social economic development of the country and tourism was considered as an engine for economic development, especially in the creation of new

jobs, attracting investment and increasing the income of the population (GoT, 2007). The NDS 2015 used a new approach in planning and development, which took into consideration world experience in the development and implementation of strategic programs. According to NDS 2015 “All the state, sectoral and regional conceptual frameworks, strategies, programs and plans for the country’s development currently in place and under development, as well as the activities of all government agencies, are based on the Internet”. It included measures and actions for improvement of the policy in the tourism sector, particularly the improvement of legislative bases, the capacity building of human resources, the improvement of services and strengthening competitiveness in the tourism sector. Also, NDS 2015 included measures for preservation and improvement of cultural and historical monuments and other forms of heritage.

Taking into account the rich natural, cultural, and historical resources of the country, the main emphasis by NDS 2015 was on the development of ecotourism and cultural tourism. Furthermore, based on the objectives and priorities of NDS 2015 the Concept for tourism development was developed in Tajikistan and adopted for the period 2009-2019 (GoT, 2009). The Concept for tourism development in Tajikistan was developed (CTDT 2009-2019) aims to provide a favorable legal, organizational, and economic environment for modern tourism industry formation in the country. It defines the general direction of the tourism sector in the long term. The focus of CTDT 2009-2019 was on the improvement and development of modern tourist infrastructure, improvement/development of the system of inbound tourism services in the tourism industry niche, provision, and advertisement of the national tourism products inside and outside of the country, ensuring state funding and investment attraction to the sector, and coordination of the tourism activities in the country.

CTDT 2009-2019 was a long term and conceptual document for the achievement of its objectives over three tourism development programs. In other words CTDT 2009-2019 was implemented through three mid-term tourism programs. The first was the tourism development program for the period 2010-2014 (GoT, 2009), the second was the tourism development program for the period 2015-2017 (GoT, 2014), and the third was the tourism development program for the period 2018-2020 (GoT, 2018). Tourism development program for the period 2018-2020 consisted of 46 activities planned for the development of the state regulation system for the support of tourism enterprises, the marketing of tourism products and services, increasing the capacity of the tourist service providers, ensuring the security of tourists, and the development of ecotourism, as well as increasing the impact of tourism on the social-economic development of the country.

Figure 4.1 Process of the strategic planning and implementation of tourism development in Tajikistan

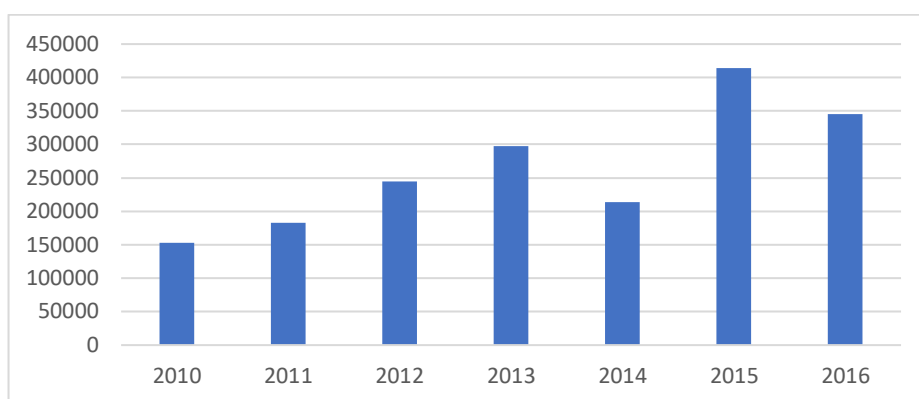


Source: Created by the Author.

Figure 4.1 shows the strategic planning and implementation framework for the tourism development programs. It illustrates the relationships between the national, local and sectorial tourism development programs. Also, this figure shows the coordination and implementation of the national development programs with those in the local and sectorial levels. These programs determined the strategy, main directions, priorities, tasks, and mechanisms for the implementation of state policy in the field of tourism in the mid-term. The objectives of these programs were to create an effective mechanism for state regulation and support of tourism, the formation of a modern marketing strategy for the development and promotion of the national tourism product in domestic and foreign markets, the formation of an attractive tourist image of the country, development of international cooperation, improvement in tourism services and improvement of the statistics on tourism. Analysis of the tourism sector in Tajikistan during the period 2010-2016 shows that implementation of these strategic tourism development programs increased the number of inbound tourists. For example, arrivals increased to 344,900 in 2016, more than twice the 2010 level. For more detail see Figure 4.2. However, the share of tourism in GDP remains insignificant (approximately 1.5 percent) and global international arrivals contributed 0.28 percent of tourist movements in 2016. This seems to be due to a lack of potential in the tourism industry, weak coordination of the tourism sector in the country, inadequate advertisement of tourist attractions, and a lack of support from the government in the tourism sector.

Figure 4.2 Arrivals of non-resident visitors at the national borders of Tajikistan in 2009-2015

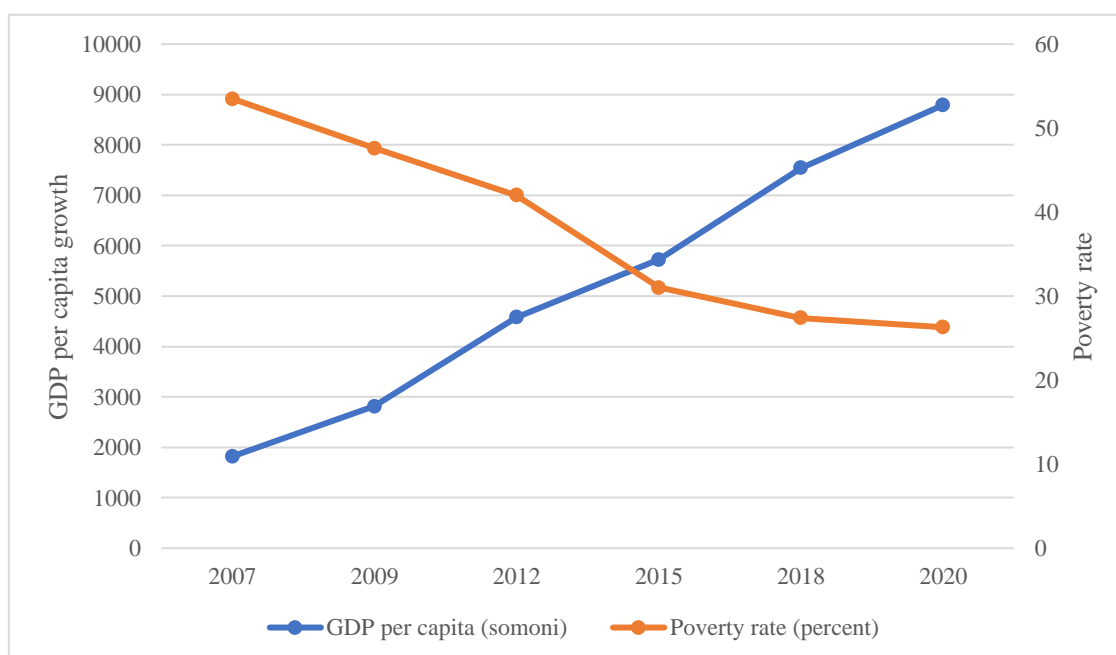




Source: CTD. Created by the Author.

However, it is necessary to mention that in 2015 implementation of the NDS 2015 came to an end. Implementation of the strategic program under the NDS 2015 shows that it ensured macroeconomic stability and increased living standards in the country as noted earlier.

Figure 4.3 Poverty rate trend and GDP per capita growth in Tajikistan during 2007-2020



Source: MEDT; WB Poverty in Tajikistan, 2020. Created by the Author.

#### **4.6.2 Rural – Urban disparities**

Analysis shows that economic development in Tajikistan has different trends in urban and rural areas. For example, the number of people under the poverty line in 2018 was as follows (by region): Dushanbe 23.4%, Sughd region 17.5%, Khatlon 32.7%, GBAO 27.7%, and the Districts of republican subordination 33.2% (World Bank, 2018). Also, the economic reforms that were implemented under NDS 2015 mostly effected the urban areas, especially the large cities. Although, regional and district development programs were implemented across the country, lack of human capacity, unfavorable business environments, lack awareness of local people about the business opportunities, and limited access to finance are the main challenges for their effective implementation (Farkhudinov, 2016). Therefore, in the local regions the implementation task was not achieved, which made the economic gap between rural and urban areas larger. This encouraged the Government to take specific action for rural development and the implementation of investment projects. So, taking into account the tourism potentials of the country, this industry was soon defined as a promising approach for the social-economic development of local regions.

In the National development strategy of the Republic of Tajikistan for the period to 2030 (NDS 2030), which defines the national development goals and priorities of the country for the long term, tourism is outlined as a priority sector, one which will contribute to the diversification of economy of rural areas, the creation of new jobs and livelihood improvement. Likewise, for the achievement of the goals and objectives of NDS 2030 and proper coordination and national regulation of the tourism sector, the Committee of Tourism Development under the Government of the Republic of Tajikistan was established in 2017 (GoT, 2017). According to the Decree of the Government of

Tajikistan<sup>3</sup> the Committee of Tourism Development is the central executive body of state power and has special executive control such that it can give permissions and other functions needed in the sphere of tourism development. The CTD in addition to the central apparatus has 44 divisions in the local regions of the country assisting implementation of the state policy for the tourism sector.

To give impetus to the development of the tourism sector, the introduction of tourism potential of the country and the national culture in the international level, as well as to attract investment to the tourism sector, in an address to Parliament the President of the Republic of Tajikistan announced 2018 as “The year of tourism and folk development (Rahmon, 2018). In his speech, the President mentioned tourism as “one of the important sectors for provision of employment, improvement of population living standards, development of services in other sectors, and a sector that represents history, culture and national tradition”. So, in addition to the TDP 2018-2020 created by the newly established CTD the “Tourism development strategy of the Republic of Tajikistan for the period of 2030” (TDS), was developed and adopted. This identifies the main priorities and goals for tourism development in Tajikistan in the long term. The TDS defines goals, objectives, and priorities of tourism development of the country until 2030 and is the basis for the development of the programs, plans and initiatives for the tourism sector.

According to TDS 2030 its implementation will be through the implementation of three short term plans. The first period covers 2019-2022, the second 2023-2026 and the third period 2027-2030. The strategic direction for tourism development defined in TDS 2030 includes marketing and advertising activities, commercialization, improving

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<sup>3</sup> Decree of the Government of the Republic of Tajikistan “On the Establishment of the Committee of tourism development under the Government of the Republic of Tajikistan” from May 27, 2017, #258.

accessibility, improving the transport and communication services, expending the e-visa system, softening permission obtaining process, and product development. It is expected that the implementation of the TDS 2030 will contribute to an increase in the number of tourists to 2.5 million, that the share of tourism in GDP will increase by 8 percent, the share of tourism in exports will increase by 15%, the share of investment in the tourism sector will increase by 10 percent, and tourism will create 10 percent more employment in Tajikistan by 2030 .

On this platform of improved tourist infrastructure and tourism policy organization there are currently being implemented various activities for the presentation of the tourist potentials of the country. In addition, with the purpose of increasing the number of tourists to the country, the Government of Tajikistan adopted simplified visa procedures for 112 countries and adopted an e-visa system, which allow tourist to apply online for tourist visa for 90 days without appearing at consulate offices and receive this on arrival. Nevertheless, Tajikistan still has no visa system with 12 countries.

Furthermore, to motivate entrepreneurship in the tourism sector the Government of Tajikistan provides tax and custom preferential treatment. Tourism companies are exempted from income tax during the first five years of their activities, and imports of equipment, machinery, as well as materials for the construction of tourist facilities are exempted from value added tax and customs duties. Also, to improve transport services in the country, import duties for new cars is reduced by 50%. Furthermore, by the decree of the Government of the Republic of Tajikistan #189 from April 12, 2018, a list of tourist facilities, for the construction of which the import of equipment, machinery and building materials is required, was made exempt from value-added tax and customs duties. This list includes 12 types of resources and is shown in Table 4.4.

Table 4.4 List of facilities that for their construction the import of equipment, machinery and building materials are exempted from value-added tax and customs duties

| #   | List of objects   |
|-----|---|
| 1.  | Hotels, including special hotels (small guesthouses, hostels)                 |
| 2.  | Recreational sanatoriums, holiday houses, resorts                             |
| 3.  | Integrated tourism service centers (tourist complex)                          |
| 4.  | Roadside service centers (motels)   |
| 5.  | Cultural and entertainment parks  |
| 6.  | Cultural, historical and religious zones (museums, shrines, historical sites) |
| 7.  | Fishing and hunting infrastructure for tourist purposes                       |
| 8.  | Restaurants with international brands   |
| 9.  | Handicrafts centers   |
| 10. | Special bases for high mountain areas for tourists                            |
| 11. | Skiing and tourist complex  |
| 12. | Training centers for mountaineering, skiing, guided tours.                    |

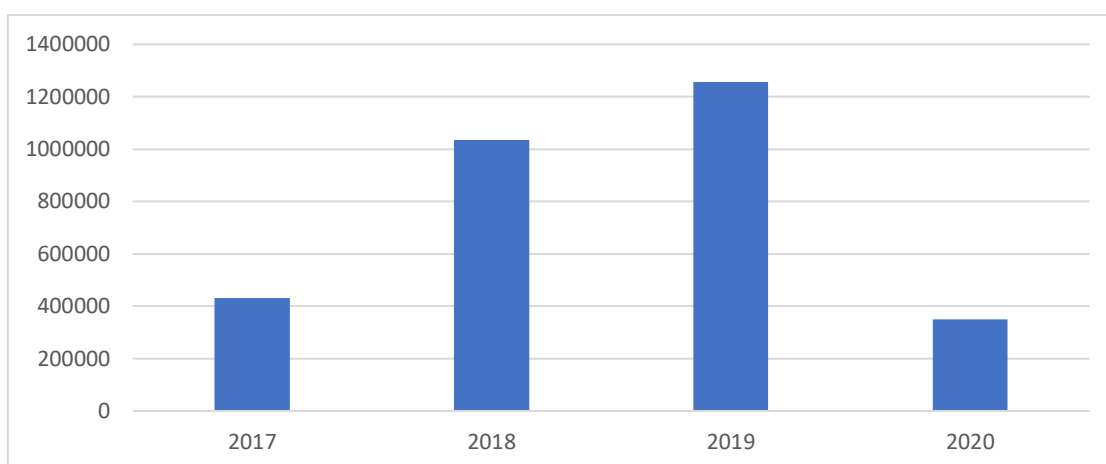
Source: Tourism development strategy of the Republic of Tajikistan for the period 2030.

In addition, the period 2019-2021 has been proclaimed by the President of the Republic of Tajikistan as “the years of development of rural areas, tourism and folk arts” (Rahmon, 2018). This initiative along with other policies has promoted the development of tourism, especially the revival of craft skills, restoration of historical and cultural sites, and the development of entrepreneurship in the tourism sector. It is necessary to mention that implementation of the above-mentioned programs and policies has increased the number of tourist arrivals and enterprises in Tajikistan. According to the CTD, the number of tourists in 2019 for the first time reached 1.25 million, that is three times more than in 2017. This rise in the number of tourists, also increased the number of tour companies in the country. According to the CTD during 2018-2020 145 new tour companies that are providing tourism services were registered. With these approvals, the total number of tour companies in Tajikistan in 2020 reached 224. Similarly, the number of tourism related enterprises increased from around 100 in 2016 to more than 500 in 2020. These include

hotels, tour bases, recreational houses and centers, motels, guest houses and so on (A. Qurbonov, personal communication, 2021.01.20).

It should be noted that the implementation of these strategic programs improved tourism infrastructure and increased the number of tourist facilities in the country. For example, the number of tourists arrivals increased from 430,922 in 2017 to 1,257,300 in 2019, more than 300%. However, as with the rest of the world Tajikistan also suffered from the pandemic Covid-19. Borders are closed and with quarantine measures in 2020 imposed, the number of tourist arrivals fell to 350,539, approximately 25% of 2019.

Figure 4.4 Arrivals of non-resident visitors at the national borders of Tajikistan in 2017-2020



Source: Committee of tourism development of the Republic of Tajikistan, created by the Author.

Dermastia et al, (2017) studied the value chain of the tourism sector in Tajikistan. Based on their study the tourism value chain has an estimated 20 thousand jobs, or around 1 percent of total employment in 2017. The jobs are mainly created in the capital city Dushanbe, which accounts for about 70% and they are split between the accommodation, food and beverage, and transportation sectors. According to the CTD the share of tourism

in the economy of Tajikistan in 2019 is estimated to be around 2 percent of the GDP of the country. However, due to the absence of a tourism satellite account and methodology for the assessment of the impact of tourism it is difficult to scientifically analyze the economic impact of tourism in the country's economy.

#### **4.7 Conclusion**

Travel in the territory of the current country of Tajikistan has existed from ancient times and is the prototype of the modern tourism concept in the country. The Silk Road, which crosses the territory of Tajikistan, clearly suggests that the purpose of tourism until the 20<sup>th</sup> century was to open up the geographic and ethnographic basis of the country based on the need to establish social-economic relations internally and externally. However, based on this overview we can conclude that the elements of tourism in Tajikistan as it is now known emerged during the first half of the 20<sup>th</sup> century. In particular, the development of the communication system, and the creation of transport infrastructure started in Tajikistan in the early 1930s. Also, during this period the essential studies of the tourist potential of the country started and there emerged the first types of tourism, recreational and culture tourism. Furthermore, the components of the state tourism organization that formed the tourism system were established. These elements were creation of the scientific organizations, and the formation of the organization for sports and geographical recognitions in the TSSR.

In the second half of the 20<sup>th</sup> century the TSSR developed a sectoral organization of the regulation of tourism system. For example, in 1960 the Tourism and Excursion Department under the Council of the Professional Associations was established. The regulation of tourism related issues was based on the legislation of the USSR. During this

period basic tourism services and the tourism industry were established. Recreational tourism, as well as culture and sport tourism were the main types during the Soviet Union in Tajikistan. Due to the socialistic policy in the Soviet Union tourism had a social character. Some steps were made for international tourism development, however. For example, the Department of Tourism and Excursion was reorganized as the Department for International Tourism under the Council of the Ministers of the TSSR in 1973, however the bureaucratic system of the Soviet Union was a barrier towards international tourism.

In 1991 the Soviet Union collapsed, and Tajikistan gained independence. The entire system that was built during the previous 6 decades was destroyed or restructured due to this political and economic transformation. This period became a transitional period for the creation of the national economic system and new stage for tourism development. The collapse of the Soviet Union destroyed the tourism system and narrowed down domestic tourism, however at the same time obstacles to international tourism were removed, and the opportunities for this form of tourism increased significantly. Tajikistan started making its first steps towards national tourism development around this time. For example, during 1990-2000 the state legislation and regulatory bases for development of tourism in the country were formulated. The main legislative and regulatory document that defined the legal, economic, social, and organizational framework of the tourism sector was formulated during this difficult political and economic time. Particularly the Law of the Republic of Tajikistan “On Tourism”.

Also, during this period, the regulation of the processes of tourism development established companies and agencies. The National company of the Republic of Tajikistan



for tourism (Tajiktourism) was the first state agency responsible for the creation of infrastructure for tourism businesses with an international standard. Later, in 2001 on the foundation of the National Company of the Republic of Tajikistan for Tourism (Tajiktourism) the State unitary tourism enterprise “Saiyoh” was established. Likewise, in 2001 with the aim of developing the tourism sector, especially, the development and implementation of state policy in the tourism sector, were assigned to the Ministry of Economy and Trade by the Decree of the President of the Republic of Tajikistan. Furthermore, in 2006 the Committee on Youth Affairs, Sports and Tourism under the Government of the Republic of Tajikistan, which was “the central body of executive power in the field of youth policy, sports, and tourism, began performing the functions of developing a unified state policy and legal regulation in the field of youth, sports development and tourism. Thus, the formulation of tourism legislation during 1990-2000 took place in a difficult social-economic and political context. Due to the absence of a separate agency for tourism policy development, different agencies carried out state regulation and policy in the tourism sector. So, in the first decade of independence Tajikistan laid the background for the state regulation of the tourism sector and its further development.

Starting from 2000, tourism development gained more attention from the Government of Tajikistan and was defined as a priority sector for the social-economic development of the country. For this sector programs and strategies in national and regional development were developed and adopted. The Committee of Tourism Development under the Government of Tajikistan was established for the regulation of the tourism industry and to give a new impulse tourism development 2018 was announced as a “year of tourism and folk crafts development” and 2019-2021 as the “years of tourism,

folk and rural development”. Taking into account international experience, tourism in Tajikistan is seen as a tool for rural development, however this review shows that some of the prerequisites for rural tourism development are not formed yet and need more investment.

Implementation of these strategic programs and government policies increased the number of tourist arrivals and the number of enterprises in the tourism sector. According to the Committee of Tourism Development the share of tourism in GDP in 2019 is estimated to be around 2 percent. However, due to the absence of tourism statistics this is currently difficult to back up with real data. Another issue that emerges from this review is that in all tourism development programs and strategies the potentials and challenges of the tourism sector are not analyzed deeply, and the measures and policy have the character of umbrella statements, as there is no detail in them. Thus, in the next chapter the potential and challenges of tourism development in Tajikistan considering its social-economic benefits to rural areas are analyzed and defined.

## **CHAPTER 5: ANALYSIS OF THE IMPACT OF TOURISM DEVELOPMENT ON THE RURAL AREAS OF TAJIKISTAN**

### **5.1 Introduction**

In the second half of last century the term rural development began to appear more frequently in the academic literature and international organization reports due to the expansion of the socioeconomic gap between urban and rural areas (Ellis and Biggs, 2001). Insufficient infrastructure, poor social services, lack of employment opportunities, low incomes, poverty, migration, and depopulation are the main challenges of rural areas, particularly in the developing countries (Chambers, 1983; Lähdesmäki and Matilainen, 2013) According to Esengun et al. (2002) increasing social economic disparities between rural urban areas should encourage policy makers to design new approaches to rural development. Thus, international organizations and national governments have started adopting and implementing new rural development strategies and approaches (Chambers, 1983). Considering its social economic benefits, tourism is defined as one of the promising approaches for rural development, especially in developing countries (UNWTO, 2017; Hurma et al, 2016, Gannon, 1994; Lane, 1994; Jafari, 1981).

This chapter presents the results of the empirical analysis on the role(s) of tourism in rural development in Tajikistan. It features and discusses the data and evidence from a case study of 38 districts and towns in four local regions of Tajikistan, with special focus on investment attraction, infrastructure development, and employment creation. The results of the study show that though Tajikistan is in an early stage of tourism development, tourism already contributes to rural development, especially in investment attraction, development of rural infrastructure, creation of employment, and the

development of income opportunities for local people. Though good planning and tourism development policies are the key factor in these achievements, there are the challenges that Governments should solve to release more benefits from this industry. The analysis shows that though tourism attracts private investment to rural areas, foreign direct investment (FDI) does not flow to rural tourism.

## **5.2 Rural development in Tajikistan**

The Government of Tajikistan from the early days of independence has made efforts to improve living standards in the country. Implementation of the development programs has ensured the economic development and macroeconomic stability. However, analysis of socioeconomic development in Tajikistan between 2007 and 2015 revealed that economic reforms were mainly concentrated in the center and the rural areas still face economic challenges (NDS, 2030). Considering this the Government of Tajikistan started paying more attention to local regions and the development of rural areas. Particularly in the NDS the 2030 plans rural/regional development has been defined as a priority for economic development and has envisaged as the target for specific action and tasks. Similarly, development programs in all 69 districts and towns of Tajikistan were developed and adopted (MEDT, 2021). Also, there were implemented investment projects for the livelihood improvement in rural areas of the country. According to the Ministry of Economic Development and Trade of the Republic of Tajikistan (MEDT) during 2013-2020 87 state investment projects with a total of 54.9 billion somoni (approximately US\$5.5 billion) were implemented with the aim of local regional development.

It is necessary to mention that development programs are being implemented by

applying different mechanism and instruments. For instance, the importance of Free Economic Zones (FEZ) as a development instrument meant that FEZ have been established to encourage the development of local regions in the country. Two FEZ, “Panj” and “Sughd” were established in 2008 and another two “Dangara” and “Ishkoshim” were established in 2009. Furthermore, in 2019 FEZ “Kulob” was established. The FEZ were established to stimulate investment attractiveness in the national and regional economy, develop private sector business and entrepreneurship, create new jobs and increase income opportunities for the rural population. According to MEDT, during 2010-2021 in the FEZ in the country 80 enterprises were established that created 1221 job places. The amount of investment that was attracted during these years is around 2 billion somoni. For more detail see Table 5.1.

Table 5.1 Investment inflow to FEZ and employment created

| #     | Name of FEZ | Number of enterprises | Investment inflow (Million somoni) | Number of jobs created |
|-------|-------------|-----------------------|------------------------------------|------------------------|
| 1.    | Sughd       | 30                    | 115.2                              | 774                    |
| 2.    | Dangara     | 32                    | 1800                               | 365                    |
| 3.    | Panj        | 11                    | 19.6                               | 31                     |
| 4.    | Ishkoshim   | 5                     | 3.9                                | 20                     |
| 5.    | Kulob       | 2                     | 5                                  | 31                     |
| Total |             | 80                    | 1943.7                             | 1221                   |

Source: MEDT. Created by the Author.

Implementation of the local region’s development activities improved the social economic situation in those regions. For instance, the income of the population increased from 1763 somoni in 2010 to 6944 somoni in 2020, and the poverty rate declined from 53.5% in 2009 to 26.3% in 2019 (WB, 2021; Stat Agency, 2021). However, poverty still remains high in rural regions compared to urban areas. According to the Agency on Statistics under the President of the Republic of Tajikistan (Stat Agency), the poverty rate

in 2019 was 18.4% in urban areas whereas in rural areas it was 30.2%. Likewise, access to flush toilets connected to a sewer system is only available to 1.7% of the population in rural areas whereas in urban areas it is to 60% (Stat Agency, 2018). Despite considerable efforts and investment, due to rapid population growth, lack of access to clean water and effective sewerage systems continues to be a major problem in the rural areas of Tajikistan. Considering this and other economic disparities between rural and urban areas measures for rural development have to be taken. One of these measures is development of the tourism sector, which has a strong potential for the development of local regions.

### **5.3 Tourism development efforts**

#### **5.3.1 Tourism development programs**

The tourism development program of the Republic of Tajikistan for 2018-2020 (TDP 2018-2020) was developed based on the priorities of the National Development Strategy of the Republic of Tajikistan for the period to 2030, the Concept for Tourism Development in Tajikistan for the 2009-2019, and other regulatory and legislative documents. The main aim of TDP 2018-2020 was to create favorable conditions for tourism development in the country and strengthen the competitiveness of the tourism market of Tajikistan in the region. It defines the main direction, priorities, and mechanism of tourism development in the short term.

The TDP 2018-2020 was developed taking into account existing problems and factors hindering tourism development, as well as the uncompetitive parts of the tourism sector in Tajikistan. However, analysis of the TDP 2018-2020 shows that it does not reveal the real constraints on the sector and is not directed towards the creation of the preconditions for tourism in rural areas. The main problems that were planned to be

overcome during 2018-2020 were: development of a state regulation system for the support of tourism enterprises, the marketing of tourism products and services, increasing the capacity of tourist service providers, ensuring the security of tourists, and the development of ecotourism. The matrix of the program included 46 institutional reform activities and projects, and the remainder are activities designed to build capacity. According to the Committee for Tourism Development, of the total number of activities planned in the matrix of action, 37 (84%) have been implemented. However, these activities are more institutional rather than infrastructural or tourist industry related and do not reflect the need to establish the preconditions for tourism development in rural regions.

Also, in 2018 the tourism development strategy of the Republic of Tajikistan for the period up to 2030 (TDS 2030) was adopted. The TDS 2030 defines the goals, priorities, and main directions for the tourism sector in Tajikistan in the longer term. Unlike TDP 2018-2020 the TDS 2030 is more comprehensive and has more realistic long-term goals. It defines the problems of the tourism sector and consequently envisages tasks and measures for tourism development. Ensuring sustainable tourism development is identified as a most important goal for the TDS 2030 and for the achievement of this goal the following objectives are to be reached: the formulation of institutional prerequisites for tourism development; the building of tourism infrastructure; strengthening of the tourist potential of the country and its promotion; ensuring the competitiveness of the country's tourism products based on improvements of the quality of services; formulation of the national brand of tourist destinations, the marketing and promotion of tourist products, as well as ensuring the effective use of natural, cultural, historical and recreational resources; the strengthening human capacities by ensuring human resources

and labor productivity in the tourism sector; conformity to international standards and ensuring the safety of tourists; and, the creation and development of tourism clusters (the complex of tourism and recreation zones) and provision of innovations and investments for the development of the tourist sector. Further, for the achievement of the above-mentioned objectives TDS 2030 envisages concrete measures and tasks.

Since the period of implementation of TDP 2018-2020 ended in 2020 the Committee for Tourism Development has elaborated a new Tourism development program for the period 2021-2025 (TDP 2021-2025). Since the present study is being finalized during this period, and because the main respondents of the survey were from the Committee of Tourism Development, this study's defined SWOT factors are those for TDP 2021-2025 (A. Qurbonov, personal communication, 2020.21.12). For example, inadequate transport infrastructure, lack of tourism services, lack of human resources, lack of investment, inadequate tourist information centers, and so on are identified in the results of this study. However, in a similar way to the TDP 2018-2020, the TDP 2021-2025 envisages few activities for rural tourism development. The tasks and measures planned in TDP 2021-2025 are mostly of a national character and do not cover the real problems of local regions or make the policies particularly useful for this study. For example, according to the concept of CBT in rural tourism development, the community has an important role, since they know the problems and resources of local areas than others (Robinson, 2012), however, Community-based tourism is not defined in the TDS 2030 nor in TDP 2021-2025.

Therefore TDP 2021-2025 does not clearly envisage the development of rural tourism. Although there are some tasks for branding and marketing of rural tourism infrastructure in the local regions, which are a prerequisite for rural tourism development,



rural tourism is not considered. Another important factor for rural tourism development is the existence of destination management organizations (DMOs). DMOs are defined as crucial factors for rural tourism development, since they act as a coordination organization between rural tourism stakeholders and national and international stakeholders, controlling the quality of goods and services. According to some studies DMOs can promote upgrading of tourism products and services, in collaboration with local and central governments (Oriade and Robinson, 2017). However, in Tajikistan these strategic programs do not clearly envisage the creation of DMOs in local regions and this factor must also be taken into account in the present study.

### **5.3.2 Foreign aid for tourism development in Tajikistan**

Tajikistan is making its first steps toward inbound tourism development since the USSR period. However, the country has limited financial resources or human capacity for the realization of tourism opportunities and the implementation of strategies and programs in the tourism sector. So, the tourism resources of the country are being widely touted as a route for investment to attract internal and external investors, and international organizations and their associated financial institutions. Particularly, those international organizations or missions that have their representatives in Tajikistan.

With the aim of consolidating the activities of the international organizations based in Tajikistan towards socio-economic development, a Donor Coordination Council (DCC) has been established. The DCC assembles all the international organizations and financial institution heads of mission or country directors. The DCC actively participates in the planning and implementation of the national and sectorial development strategies and goals of Tajikistan. The results of the activity of the DCC and national agencies are

being discussed annually in the Council for National Development of Tajikistan under the President.

Working groups have been established under the DCC to consolidate the activity of the donors and national agencies in different sectors. One of these working groups is in the tourism sector and it cooperates with the sector ministries on tourism development. Within the framework of DCC cooperation several projects have been implemented for the promotion and strengthening of tourism related businesses. However, these have been limited to capacity building and only have modest budgets (approximately US\$300,000) (Laurent et al, 2014). Moreover, these projects have been mainly implemented in only two regions (Pamir and the Zarafshan Valley) and do not cover the entire country. Nevertheless, taking into account the necessity for tourism development as well as its potential, the World Bank has allocated US\$30 million for rural and tourism development in Tajikistan based on its Rural Economy Development Project.

The aim of this project is to improve livelihoods in rural areas, especially in the GBAO and Khatlon regions, through the development of tourism and agribusiness. The project is comprised of four components, three of which are in the tourism sector. The first component aims to improve public infrastructure for the development of tourism, agribusiness, and related sectors. It consists of the following sub-components: (i) public investment in historical and cultural tourism sites; (ii) grants to communities, municipalities, and not-for-profit organizations to improve tourism and agribusiness infrastructure and develop local tourism attractions; and (iii) public investment in tourism signage. The second component supports micro, small, and medium-sized enterprises (MSMEs) and entrepreneurs in the tourism, agribusiness, and related sectors, and aims to facilitate entrepreneurial activities and increase MSME growth and employment in the

tourism, agribusiness, and related sectors. It consists of the following sub-components: (i) matching grants to farmers and agribusiness MSMEs to support post-harvest storage and processing; (ii) matching grants to farmers and processors in two agribusiness value chains; and (iii) matching grants to tourism related MSMEs to improve their services. The third component aims to: (i) improve the capacity of tourism and agribusiness public agencies, operators, and service providers; and (ii) help beneficiaries apply for and implement the grants and matching grants funded by the project. It consists of the following sub-components: (i) technical assistance and capacity building for tourism and agribusiness public agencies and skill development for tourism providers; and (ii) technical assistance to help beneficiaries of grants and matching grants to design, submit, and implement grant proposals.

Taking into account the country-wide tourism potential, the ADB has also approved a US\$10 million grant for tourism development in Tajikistan. The objectives of this grant are to assist the Government in defining and developing a comprehensive plan for tourism development, including market demand analysis and skills mapping, as well as strengthening the institutional capacity in the sector. According to the ADB this project will also help the country formulate a Tourism Satellite Account, a strategic prerequisite for developing and monitoring the sector that provides information on issues such as tourism's share in the country's GDP, backward and forward industry linkages between tourism and other sectors in the economy, national employment trends, the impact of foreign direct investment; the relationship of tourism to net foreign exchange flows; the share of various types of tourism along with associated revenues; and the breakdown of tourism expenditures. In addition, this project is going to identify and develop a priority

investment pipeline and prepare feasibility studies and detailed designs for the identified projects.

The Japan International Cooperation Agency (JICA) also supports the Committee for Tourism Development of Tajikistan through its assistance in strengthening agritourism in the rural areas of the country. According to the Committee for Tourism Development JICA conducted a two-day seminar for tourism development in the Rasht valley to develop the capacity of residents in the development and implementation of plans and projects in agritourism. These projects are very timely and are being implemented in principle with the strategic goals and needs of the tourism sector in Tajikistan. They are directed towards removing the barriers to rural tourism development. Implementation of these projects will lay the foundation for tourism development in the country, especially rural tourism.

#### **5.4 Tourism and rural development in Tajikistan**

Tajikistan has real opportunities for rural tourism development due to the fact that most of the tourism resources and assets of the country are located in the rural areas. 93% of the country is covered by mountains and more than 70% of the population lives in rural areas (Stat Agency, 2021). The rural tourism product of Tajikistan therefore mainly consists of natural and cultural resources; particularly its mountainous terrain containing some of the world's highest lakes. The potential of ecotourism development is also high in the country's rural areas due to the availability of four seasons and the differences in altitude. However, though infrastructure in rural areas exists, it is in very poor condition or is generally undeveloped. Moreover, rural areas are highly dependent on the agricultural sector and suffer from lack of employment and income opportunities. As a

result, annually some 0.7 million people go to Russia in search of jobs every year (Stat Agency, 2021).

Considering the tourism potential of the country the Government of Tajikistan has adopted the tourism development plans and policies to promote rural development outlined in Chapter 4 and earlier. Thus, tourism and rural development has become a national development priority and all governmental organizations started actively participating in the achievement of this objective. In the framework of the above-mentioned initiatives the government has provided the tourism industry with economic privileges. Particularly, businesses in the tourism industry are exempted from tax in their first five years of operation and the import of equipment and materials for construction of tourism infrastructure is exempted from value added tax and customs duties (see Chapter 4 for more detail). In recent years, as a result of the implementation of the above-mentioned policies Tajikistan has become an emerging tourism destination. According to the Committee of Tourism Development under the Government of the Republic of Tajikistan (CTD) currently operating and providing services in the tourism market of the country there are 237 travel companies, 188 hotels, 28 hostels and motels, 47 sanatoria, 8 recreation houses, 10 leisure houses, 2 pension houses, 2 camping, and 4 tour bases (CTD, 2021).

In the framework of these tourism and rural development initiatives, local infrastructure being constructed and renovated is particularly important, especially the renovation of local roads, the provision of transport and communication services, and the delivery of water and electricity supplies to tourism sites in rural areas. Moreover, in cooperation with international organizations and financial institutions rural development projects are being implemented. For instance, the World Bank is implementing a rural

development project that is expected to construct and renovate roads to the tourism accommodation and historical and cultural heritage sites in rural regions. Also, in the frame of this project four historical sites (Chiluchorchashma, Khoja Mashhad, Hulbuk, and Yamchun) are going to be renovated to international standards (CTD, 2021). As a result of these initiatives the number of tourists in the pre covid-19 situation had for the first time reached 1.25 million (CTD, 2020). Considering these programs and initiatives this research now evaluates the role of tourism in rural development in Tajikistan, with special focus on rural infrastructure development, investment attraction, enterprise development, and employment creation.

## **5.5 Tourism and infrastructure development in the local regions of Tajikistan**

### **5.5.1 Tourism and rural infrastructure development**

Infrastructure plays crucial role in tourism development, and it is defined as the wheels of development of rural areas (Oriade and Robinson, 2017; Neumeier and Pollermann, 2014; Wilson et al., 2001). Infrastructure provides access to tourism destinations and opens local regions to foreign visitors. In addition, tourism destinations need tourism infrastructure to gain benefit from the industry. These include information, transport and communication services, accommodation, food and beverage facilities, tour guides, souvenir shops, and so on. This section provides and discusses information on the impact of tourism in the development of rural infrastructure in Tajikistan.

Analysis of the survey data revealed that 4637 items of rural infrastructure were constructed or renovated during 2017-2021 in the regions of Tajikistan. Particularly, the construction and renovation of 1524 local roads, the construction and renovation of 420 local bridges, the renovation, and establishment of 52 transport and communication

infrastructure facilities, construction of 539 roadside toilets, and the construction and renovation of 2102 other rural infrastructures like water and sewerage systems, public baths, electricity, and so on. In terms of regional distribution, 783 rural infrastructure facilities were constructed in the DRS, in the Sughd region it was 1600, in the Khatlon region 2099, and in the GBAO 155. Table 5.2 provides the details of rural infrastructure development.

Table 5.2 Tourism and rural infrastructure development in the regions

| #  | Type of infrastructure  | DRS | Sughd | Khatlon | GBAO | Total |
|----|---|-----|-------|---------|------|-------|
| 1. | Construction and renovation of local roads  | 265 | 573   | 649     | 37   | 1524  |
| 2. | Construction and renovation of local bridges  | 114 | 65    | 228     | 13   | 420   |
| 3. | Transport and communication   | 9   | 16    | 21      | 6    | 52    |
| 4. | Roadside toilets  | 98  | 178   | 214     | 49   | 539   |
| 5. | Other tourism and public infrastructure (water and sewer, electricity, public bath, etc.) | 297 | 768   | 987     | 50   | 2102  |
|    | Total   | 783 | 1600  | 2099    | 155  | 4637  |

Source: Results from the survey. Created by the Author.

The results show that tourism development has been contributing to rural areas. Specifically, supporting the development of local roads, transport and communication services and ensuring access to clean water and public toilets. For example, according to MEDT (2021) access to clean water has been increased to 55% of the rural population. Tourism infrastructure is one of the key determinants of the tourism development in the tourist destination. Analysis of the results of the survey shows that during the last five years in the local regions of Tajikistan more than 2,000 tourism facilities were constructed. These include 97 tourism sites, 115 travel agencies, 149 hotels, 76 sanatoria, 15 tour base and camping, 2 pension house, 806 restaurants and dining rooms, 66 souvenir shops, 37

tourism information center, 75 parks and orchards, 55 folkcrafts center and 595 other tourism related facilities (see Table 5.3).

Table 5.3 Tourism infrastructure created in the regions of Tajikistan during 2017-2021

| #   | Type of facility                   | DRS | Sughd | Khatlon | GBAO | Total |
|-----|------------------------------------|-----|-------|---------|------|-------|
| 1.  | Tourism sites                      | 24  | 27    | 32      | 14   | 97    |
| 2.  | Travel companies                   | 15  | 40    | 17      | 43   | 115   |
| 3.  | Hotel (hostel, motel, guest house) | 28  | 58    | 51      | 12   | 149   |
| 4.  | Sanatoria                          | 31  | 27    | 13      | 5    | 76    |
| 5.  | Tour base and camping              | 2   | 9     | 3       | 1    | 15    |
| 6.  | Pension house                      | 1   | 1     | 0       | 0    | 2     |
| 7.  | Restaurant and dining room         | 211 | 231   | 313     | 51   | 806   |
| 8.  | Souvenir shop                      | 19  | 22    | 16      | 9    | 66    |
| 9.  | Tourism information center         | 1   | 5     | 26      | 5    | 37    |
| 10. | Park and orchards                  | 21  | 12    | 25      | 17   | 75    |
| 11. | Folkcraft center                   | 22  | 19    | 11      | 3    | 55    |
| 12. | other                              | 76  | 221   | 242     | 56   | 595   |
|     | Total                              | 451 | 672   | 749     | 216  | 2088  |

Source: Results from the survey. Created by the Author.

In local regional distribution, the Khatlon region is in first place with 749 tourism facilities or 35.9% of the total being constructed. In second place is the Sughd region where 672 or 32.2% of tourism facilities have been built. Then the DRS with 451 or 21.6% tourism facilities built, and GBAO is the smallest region with 216 tourism facilities or 10.3% of the total tourism facilities constructed during 2017-2021. These have improved the attractiveness of rural tourism destinations, particularly in investment attraction and employment creation that is discussed in the next sections.

## 5.6 Tourism and investment attraction to the local regions of Tajikistan



Limited financial resources are one of the main challenges that rural areas face in Tajikistan. Therefore, one of the objectives of tourism development in rural areas is investment attraction. This section provides analyses of the investment attracted by tourism to the rural areas of Tajikistan during the last five years. Also, it presents information about the sources of the funds and types of the facilities in the tourism industry.

Analysis of the potentials and challenges of rural areas in Tajikistan has revealed that most of the districts and towns have in fact developed and adopted social economic development programs. These programs envisage the tasks and measures for new jobs creation and improvement of living standards. However, lack of funding sources is one of the main challenges for implementation of these programs. To offset this the government is providing tax and customs preferences to attract private investment.

Analysis of the tourism industry thus reveals that tourism has stimulated investment to rural areas. The results show that during 2017-2021 tourism has attracted more than 6 billion Somoni to the regions for construction and renovation of rural infrastructure and development of tourism facilities. Of this amount 21% is directly related to tourism infrastructure development. In particular, tourism has attracted 325.4 million Somoni to the construction and renovation of tourism sites, this includes natural, as well as cultural and historical sites, 196.2 million Somoni to accommodation, including hotels, hostels, motels and guest houses, 358.6 million Somoni to leisure and recreation facilities, including sanatoria, pension houses and tour bases, 318.2 million Somoni to food and beverage facilities, and 75.5 million Somoni to craft and souvenir shops. Other funds were attracted to rural infrastructure, especially 205 million Somoni to transport and communication systems, 1832.2 million to construction of local roads and bridges,

and 2697 million to other tourism and public infrastructure. See Table 5.4 for the details.

Table 5.4 Investment flows to tourism and rural infrastructure during 2017-2021 (million somoni)

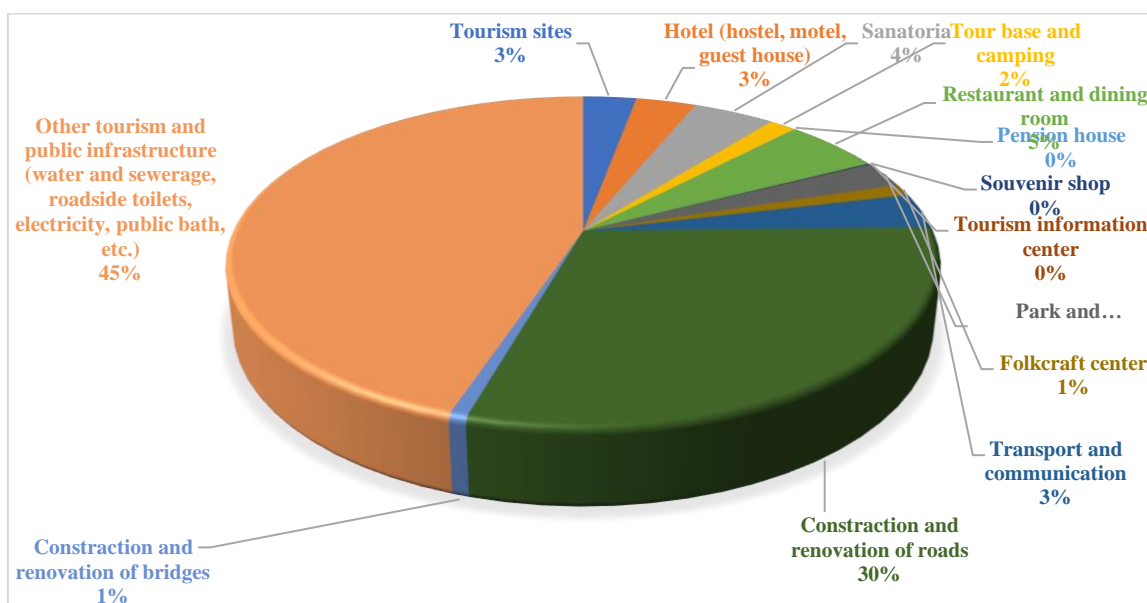
| #   | Tourism facility   | DRS   | Sughd  | Khatlon | GBAO  | Total  |
|-----|--|-------|--------|---------|-------|--------|
| 1.  | Tourism sites  | 30.7  | 62     | 75.6    | 6     | 174.3  |
| 2.  | Hotel (hostel, motel, guest house)   | 38.1  | 39.4   | 82.3    | 36.4  | 196.2  |
| 3.  | Sanatoria  | 10    | 51.2   | 198.7   | 8.1   | 268    |
| 4.  | Tour base and camping  | 12.8  | 54.6   | 18.5    | 2.6   | 88.5   |
| 5.  | Pension house  | 1.4   | 0.7    | 0       | 0     | 2.1    |
| 6.  | Restaurant and dining room   | 19.8  | 160.8  | 128.1   | 9.5   | 318.2  |
| 7.  | Souvenir shop  | 3.4   | 1.4    | 1.3     | 0.9   | 7      |
| 8.  | Tourism information center   | 0.8   | 0.5    | 0.6     | 0.1   | 2      |
| 9.  | Park and orchards  | 20.9  | 87.1   | 37.9    | 5.2   | 151.1  |
| 10. | Folkcraft center   | 13.9  | 29.9   | 20.1    | 4.6   | 68.5   |
| 11. | Transport and communication  | 57.6  | 58.5   | 83.5    | 5.5   | 205.1  |
| 12. | Construction and renovation of roads   | 256.8 | 589.1  | 880.1   | 64.9  | 1790.9 |
| 13. | Construction and renovation of bridges   | 12.9  | 9.4    | 17.1    | 1.9   | 41.3   |
| 14. | Other tourism and public infrastructure (water and sewerage, roadside toilets, electricity, public bath) | 373   | 989    | 1229    | 106   | 2697   |
|     | Total  | 852.1 | 2133.6 | 2772.8  | 251.7 | 6010.2 |

Source: Results of the survey. Created by the Author.

This situation is the result of the policy preferences, especially the tax and customs preferences that were given to the tourism sector and shows the effect of tourism development on the attraction of investment to rural areas. Analysis of this distribution of investment by type of infrastructure confirms that more than 60% of the investment during the last five years has been directed to improvement of the local and tourism infrastructure in tourist destinations. These include construction of local roads and bridges, improving access to clean water and sewerage systems in the local areas, providing new lines of electricity, establishing roadside lavatories and baths, and so on as discussed above. Further details of the distribution by type of infrastructure are provided in Figure 5.1. The study shows that Tajikistan is developing rural areas following the principles of

the “Tourism First” concept developed by Burns (1999). The “Tourism First” idea suggests that destinations should focus on establishing the industry and take a supply-led approach to tourism development, whereas the “Development First” focus is on the achievement of the national development objectives.

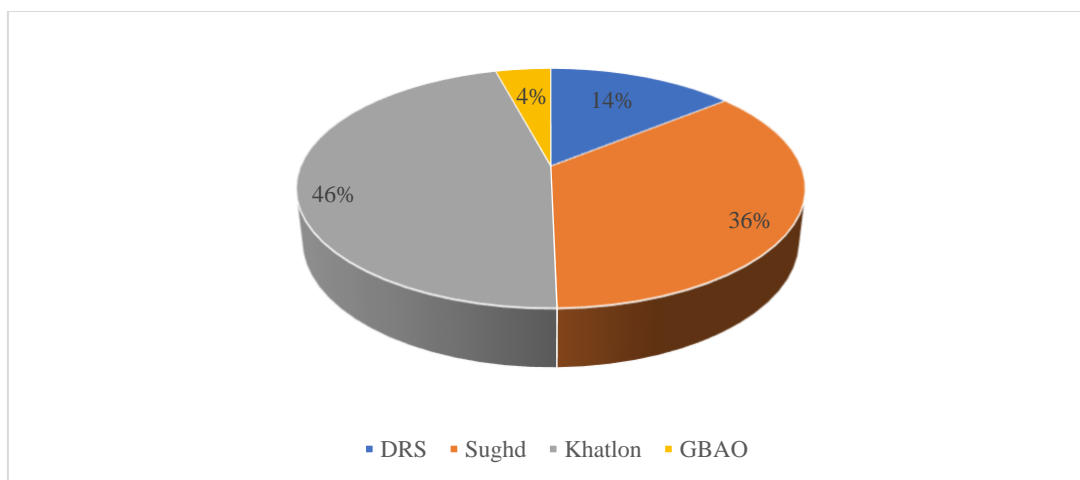
Figure 5.1 Investment distribution by segment



Source: Result of the survey. Created by the Author.

The regional distribution (Figure 5.2) shows that the Khatlon region is in first place with 2772.8 million or 46.1% of total investment, the second is the Sughd region with 2133.6 million or 35.5%, next the DRS with 852.1 million or 14.2%, and last the GBAO with 251.7 million or 4.2% of total investment attracted for tourism and rural development in Tajikistan. Though the GBAO is known as one the main tourist destinations in Tajikistan, this analysis shows that in the total amount of investment it has the smallest share. This may be a result of weak awareness of the local and foreign business about the business opportunities of the region.

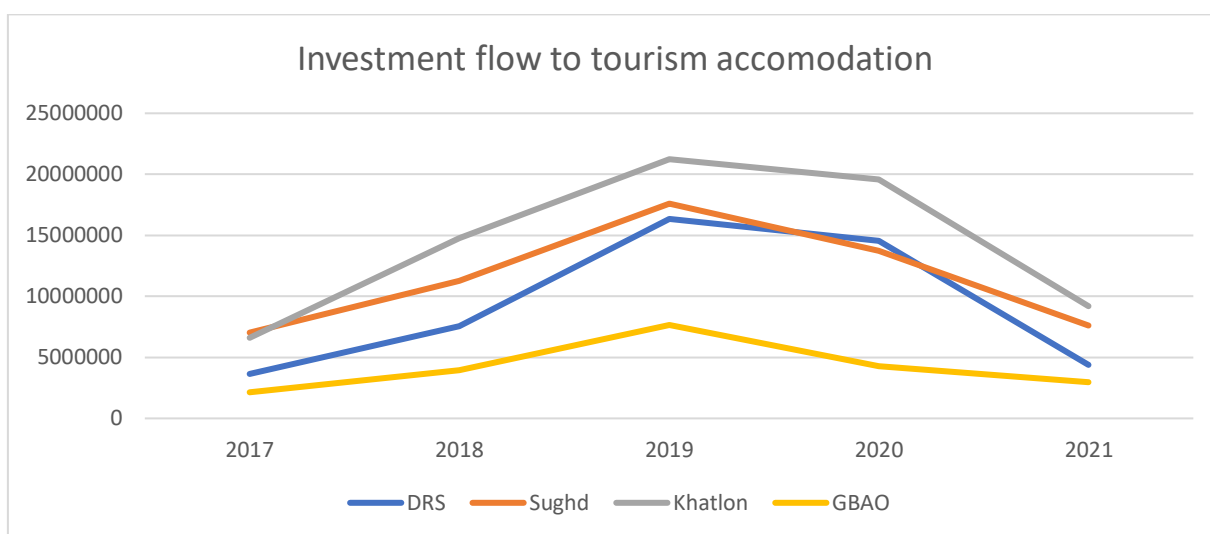
Figure 5.2 Regional distribution of the investment flow to tourism and rural infrastructure



Source: Results of the survey. Created by the Author.

The analysis shows that the tourism sector is becoming attractive for investment, particularly after the announcement of tax and customs preferences in 2018. For instance, analysis of the investment to tourism accommodation shows that more than 90% is coming from the private sector. Moreover, investment on tourism accommodation increased by more than 3 times in local regions in 2019 and the number of hotels has increased to 149 in local regions. These accommodation facilities are in general small and are designed for backpackers and adventure tourists. Most privately owned accommodation facilities provide only bedspace, there a few that do provide meals and other services to visitors. The low sanitary and other standards of the homestay services means that they do not match national or international standards, and the owners need some capacity building training for upgrading. Nevertheless, the tourism accommodation in rural and remote areas is an important source of income for the local population.

Figure 5.3 Investment inflow to tourism accommodation during 2017-2021



Source: Results of the survey. Created by the Author.

Analysis of the sources of investment shows that rural infrastructure, particularly local roads, water and sewerage systems, and electricity is mainly financed by the public sector (national and local budgets). Of the total number of tourism and rural infrastructure facilities built during 2017-2021, 60% were financed by public sector, 30% by private businesses and individuals, and around 10% by foreign aid. The analysis also shows that the private sector is more interested in investing in accommodation, food and beverage, transport, and trade facilities (see Table 5.5).

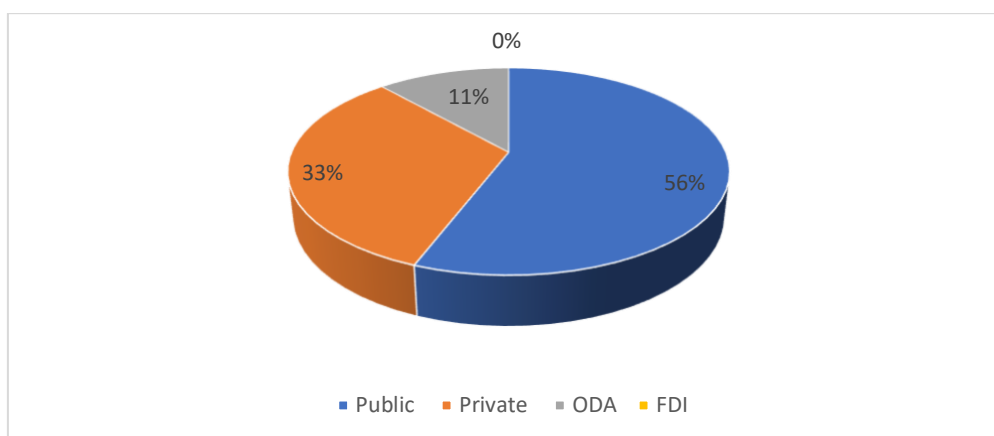
Table 5.5 Sources of investment to tourism and rural infrastructure

| #  | Type facilities   | Source of funding |         |             |     | Total  |
|----|---|-------------------|---------|-------------|-----|--------|
|    |   | Public            | Private | Foreign aid | FDI |        |
| 1  | Tourism sites   | 174.3             | 0       | 0           | 0   | 174.3  |
| 2  | Hotel (hostel, motel, guest house)  | 21.7              | 174.5   | 0           | 0   | 196.2  |
| 3  | Sanatoria   | 95.9              | 172.1   | 0           | 0   | 268    |
| 4  | Tour base and camping   | 21.2              | 67.3    | 0           | 0   | 88.5   |
| 5  | Pension house   | 2.1               | 0       | 0           | 0   | 2.1    |
| 6  | Restaurant and dining room  | 0                 | 318.2   | 0           | 0   | 318.2  |
| 7  | Souvenir shop   | 0                 | 7       | 0           | 0   | 7      |
| 8  | Tourism information center  | 2                 | 0       | 0           | 0   | 2      |
| 9  | Park and orchards   | 151.1             | 0       | 0           | 0   | 151.1  |
| 10 | Folkcraft center  | 0                 | 68.5    | 0           | 0   | 68.5   |
| 11 | Construction and renovation of local roads  | 20.6              | 153     | 31.5        | 0   | 205.1  |
| 12 | Construction and renovation of local bridges  | 1273.4            | 242.9   | 274.6       | 0   | 1790.9 |
| 13 | Transport and communication   | 34.4              | 4.5     | 2.4         | 0   | 41.3   |
| 14 | Other tourism and public infrastructure (water and sewer, roadside toilets, electricity, public bath, etc.) | 1560.1            | 750     | 386.9       | 0   | 2697   |
|    | Total   | 3356.8            | 1958    | 695.4       | 0   | 6010.2 |

Source: Results of the survey. Created by the Author.

Remarkably, the analysis shows the share of private sector is significant in tourism infrastructure development. This also indicates that tourism is contributing to private sector and entrepreneurship development and creates employment in the local regions of the country.

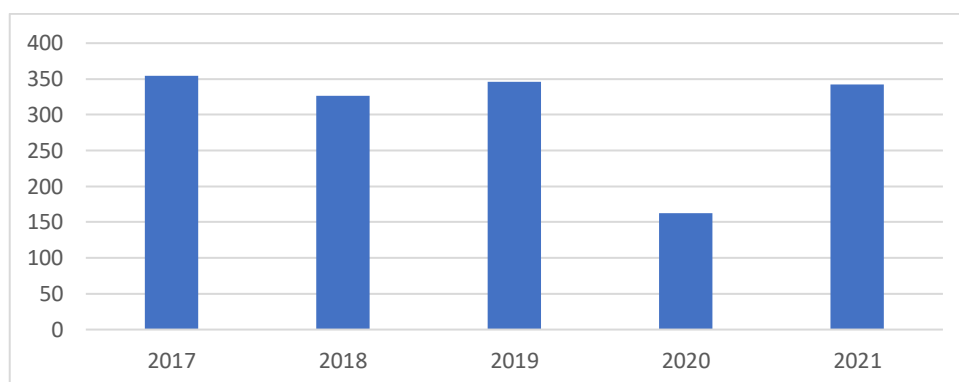
Figure 5.4 Distribution of investment by source of fund



Source: Results of the survey. Created by the Author.

As mentioned earlier though, the results of the survey show that there is no FDI involved in tourism development in the rural areas of Tajikistan. According to the State Committee on Investment and State Property Management of the Republic of Tajikistan during 2017-2021 USD 1.5 billion Foreign Direct Investment (FDI) was attracted to the economy of the country, but these are mainly to the industry and production sectors (Figure 5.5).

Figure 5.5 FDI inflow to the economy of Tajikistan during 2017-2021 (in million USD)

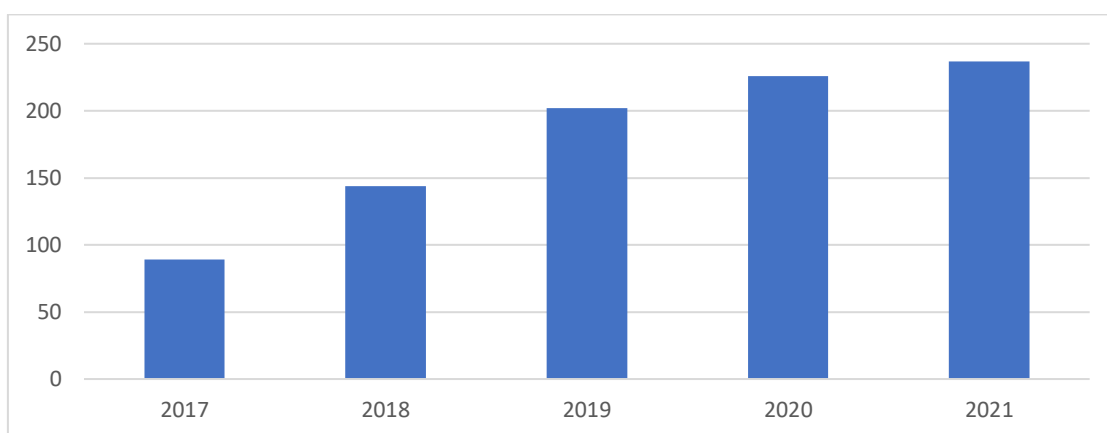


Source: SCISPM. Created by the Author.

Analysis of the distribution of the FDI shows that it is mainly going to other industry sectors: 41.2% to extractive industry, 23.5% to production industry, 10.2% to the communication sector, and 25.1% to other sectors of economy. Though more than 10% of the FDI was attracted to the communication sector in this period the respondents to this study's survey did not mention it as a source of funding for tourism development in rural areas. This might be due to the fact that FDI is mainly attracted to economic activity in urban areas. This also shows the weak awareness of the foreign business sector of the business opportunities in the local regions, especially in the tourism sector.

Another factor that is signaling the emergence of tourism in Tajikistan is the expansion of the number of travel companies in the regions. According to the CTD in 2021 these services were provided by 237 travel companies. This number has increased nearly 3 times in the last 5 years (Figure 5.6). Though nearly half of the travel companies are concentrated in Dushanbe, the capital of Tajikistan, the new tour companies are established and expanding to in the regions.

Figure 5.6 Trend in the number of tour companies in Tajikistan

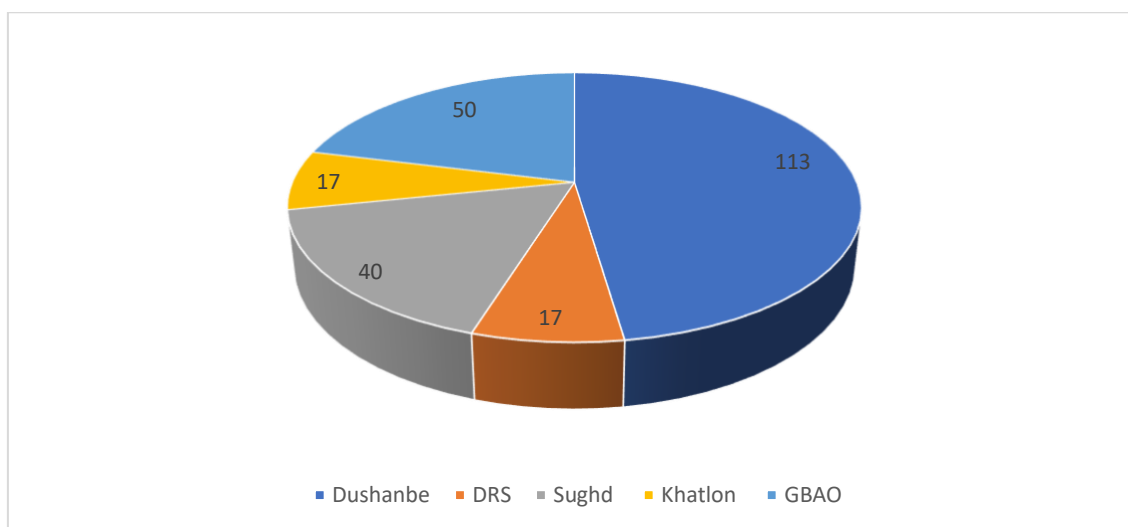


Source: CTD. Created by the Author.



This analysis shows that the number of tour companies has increased since 2018, after the government exempted the tourism industry from tax and customs duties. The increasing number of tour companies also indicates tourism industry emergence in rural areas. For instance, analysis shows that from the total number of tour companies 124 had been created in rural regions. Though Dushanbe (the capital) has the highest number of tour companies, in the rural/regional context GBAO has the highest number of travel agencies (21% of the total number - see Figure 5.7).

Figure 5.7 Regional distribution of travel companies in Tajikistan



Source: CTD. Created by the Author.

### **5.7 Tourism and employment creation in local regions of Tajikistan**

Employment in the tourism sector is categorized into two types, direct and indirect (UNWTO, 2017). Direct tourism employment is regarded as those jobs that are created in hotels, restaurants, tourism information centers, travel agencies, transport, resorts and recreation centers, souvenir shops and other facilities that are in direct contact with

visitors. The second type is indirect employment, and these include working for bed and linen companies, restaurant suppliers, handicraft shops, construction companies that build and maintain tourist facilities and other companies that are more or less dependent on the companies providing direct employment for tourism for their revenues (UNWTO and ILO, 2014). This section analyzes the direct employment that tourism has created in the rural areas of Tajikistan.

Analysis of the industry shows that tourism in rural areas supports an estimated 16.5 thousand jobs, which is around 0.7% of total employment in Tajikistan. The jobs in the local regions are mainly split between the food and beverage, accommodation, and the transportation sectors, which account for 75% of the total jobs created. The other 25% have been created in the tourism sites, souvenir and craft shops and other tourism industry operators (see Table 5.6 for more detail).

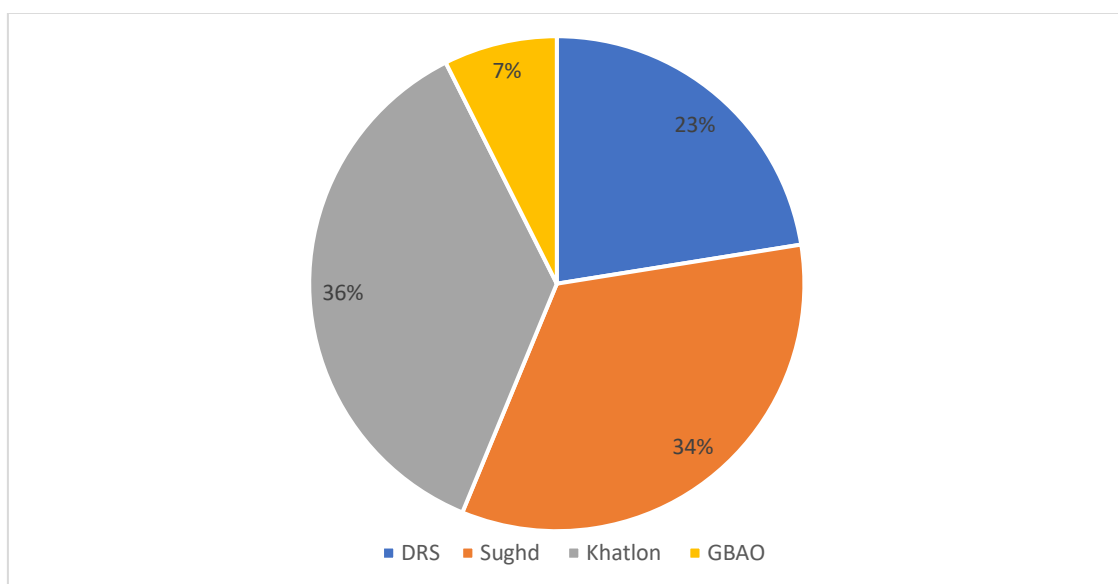
Table 5.6 Employment in tourism sector in the local regions of Tajikistan

| #   | Type of facility                   | DRS  | Sughd | Khatlon | GBAO | Total |
|-----|------------------------------------|------|-------|---------|------|-------|
| 1.  | Tourism sites                      | 75   | 62    | 227     | 32   | 396   |
| 2.  | Hotel (hostel, motel, guest house) | 87   | 469   | 259     | 324  | 1139  |
| 3.  | Sanatoria                          | 176  | 792   | 114     | 33   | 1115  |
| 4.  | Tour base and camping              | 21   | 68    | 18      | 5    | 112   |
| 5.  | Pension house                      | 37   | 12    | 0       | 0    | 49    |
| 6.  | Restaurant and dining room         | 2689 | 2575  | 3440    | 256  | 8960  |
| 7.  | Souvenir shop                      | 38   | 36    | 28      | 14   | 116   |
| 8.  | Tourism information center         | 7    | 5     | 26      | 5    | 43    |
| 9.  | Park and orchards                  | 47   | 67    | 156     | 58   | 328   |
| 10. | Folkcraft center                   | 40   | 90    | 51      | 33   | 214   |
| 11. | Transport and communication        | 134  | 278   | 236     | 94   | 742   |
| 12. | Travel company                     | 73   | 168   | 78      | 186  | 505   |
| 13. | Others                             | 297  | 968   | 1387    | 187  | 2839  |
|     | Total                              | 3721 | 5590  | 6020    | 1227 | 16558 |

Source: Results of the survey. Created by the Author.

The analysis shows that in the rural regional context the largest number of jobs was created in the Khatlon region, which accounted for more than 6,000 jobs or 36% of the total employment created by the tourism industry in rural areas. Second is the Sughd region which accounts for 34% of tourism related employment in the rural regions. Next is DRS with 23% and GBAO is the smallest with 7% of its employment created by tourism in rural areas (Figure 5.8). Generally, the analysis shows that though tourism creates employment in rural areas its share is modest, indicating that this pattern is describing the early stages of tourism development in the rural regions of Tajikistan. Moreover, the results of the survey revealed that nearly 70% of the jobs in tourism industry are seasonal as only around 30% are permanent.

Figure 5.8 Regional distribution of the employment by the tourism industry in the local regions of Tajikistan



Source: Results of the survey. Created by the Author.

The results of the survey show that 65% of employment in tourism related activities is for working females and 35% is for males. Women are mainly working as

house keepers, waitresses and dish washers, while men are involved in transport, tour guiding, excursion guides and other segments. Females dominate in terms of gender balance, but as was mentioned earlier most of the jobs in tourism sector in rural areas are of a seasonal character, particularly for females. One of the reasons behind this domination by females is the low paid jobs and the fact that most of the males migrate to Russia during the spring and summer.

Table 5.7 Distribution of employment in tourism sector by gender in the local regions of Tajikistan

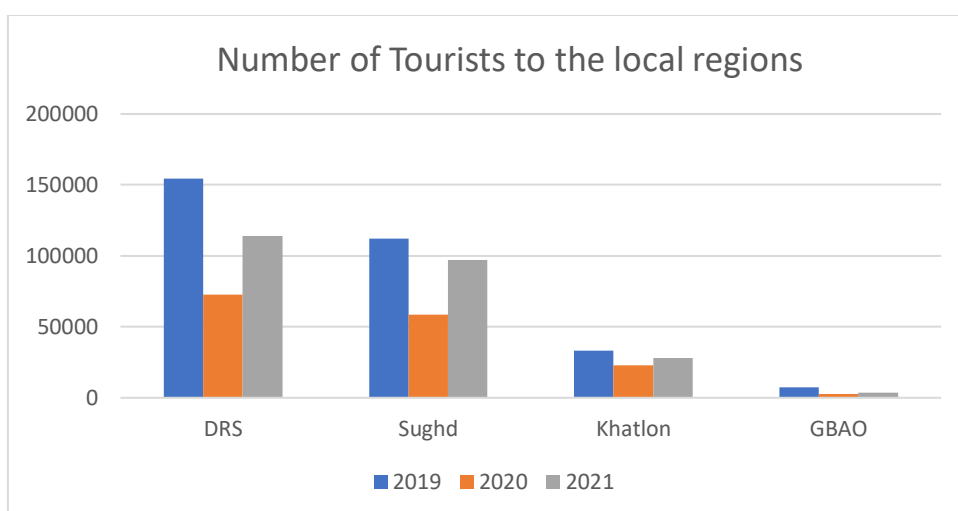
| #     | Type of facility                   | Male | Female | Total |
|-------|------------------------------------|------|--------|-------|
| 1.    | Tourism sites                      | 312  | 84     | 396   |
| 2.    | Hotel (hostel, motel, guest house) | 430  | 709    | 1139  |
| 3.    | Sanatoria                          | 290  | 825    | 1115  |
| 4.    | Tour base and camping              | 39   | 73     | 112   |
| 5.    | Pension house                      | 17   | 32     | 49    |
| 6.    | Restaurant and dining room         | 1475 | 7485   | 8960  |
| 7.    | Souvenir shop                      | 98   | 18     | 116   |
| 8.    | Tourism information center         | 17   | 26     | 43    |
| 9.    | Park and orchards                  | 270  | 58     | 328   |
| 10.   | Folkcraft center                   | 165  | 49     | 214   |
| 11.   | Transport and communication        | 714  | 28     | 742   |
| 12.   | Travel company                     | 420  | 85     | 505   |
| 13.   | Others                             | 1586 | 1253   | 2839  |
| Total |                                    | 5833 | 10725  | 16558 |

Source: Results of the survey. Created by the Author.

According to the CTD, in 2019 rural regions of the country received 307.1 thousand tourists. However, similar to other countries, as a result of the Covid-19 this number had declined to 84 thousand, around 27% of the 2019 value, in 2020 (Figure 5.9). Though in Tajikistan the first cases of Covid-19 symptoms were only registered in early April 2020

(until April 2020 there was no restriction on the arrivals of tourists), the pandemic significantly affected the industry. It decreased the income of the tourism sector and temporarily suspended tourism businesses in the local region, particularly in the hotel and restaurant segments. As a result, 90% of the tourism industry in rural areas lost between 50 and 90% of their income.

Figure 5.9 Number of tourists to the local regions of Tajikistan during 2019-2021



Source: CTD, 2021. Created by the Author.

## 5.8 Participatory planning

Participatory planning and involvement of the local people in implementation of the tourism programs is one of the success factors for the sustainability of tourism development. The results of the survey show that all districts and towns in Tajikistan have the social economic development programs. Tourism has been defined as a priority sector in the NDS 2030. Thus, in all 38 districts and towns respondents mentioned that their social economic development programs include tourism development measures. From the total number of respondents 87% mentioned that their programs are elaborated through

the participatory planning, 8% said they do not know how programs are developed and 5% said they did not participate in the development of programs.

The results of the survey indicate that in most cases implementation of the development programs are financed by national and local budgets. Based on the results of the survey, 74% of respondents see the national and local budgets as the main source of finance for the social economic development program, 16% mentioned the private sector, and around 10% mentioned foreign aid as a source of finance. FDI is not defined as a source of fund for program implementation in the districts and towns of Tajikistan (Table 5.8). Tourism is defined as a promising sector for social economic development, particularly creation of employment opportunities, thus all the studied rural areas include tourism in their social economic development programs. However, the results of the survey show that none of the districts and towns have their own tourism development programs.

Table 5.8 Summary of the results of survey on participatory planning and tourism management in rural areas of Tajikistan

| Questions   | Options         | Local regions |       |         |      | Total |
|---|-----------------|---------------|-------|---------|------|-------|
|   |                 | DRS           | Sughd | Khatlon | GBAO |       |
| Do the social and economic development programs of your district/town include tourism development measures? | Yes             | 10            | 10    | 10      | 8    | 38    |
|   | No              |               |       |         |      | 0     |
|   | I don't know    |               |       |         |      | 0     |
| If yes, please specify from which source of finance it is envisaged that development would be funded?       | National budget | 4             | 3     | 3       | 4    | 14    |
|   | Local budget    | 4             | 4     | 4       | 2    | 14    |
|   | Private sector  | 1             | 2     | 2       | 1    | 6     |
|   | Foreign aid     | 1             | 1     | 1       | 1    | 4     |
|   | FDI             |               |       |         |      | 0     |
| Did you or representatives of your district/town or   | Yes             | 8             | 10    | 8       | 7    | 33    |
|   | No              | 1             |       | 1       |      | 2     |

|   |   |   |    |    |   |    |
|---|---|---|----|----|---|----|
| municipality participate in the elaboration of the tourism development program or plan?   | I don't know                              |   | 1  | 1  | 1 | 3  |
| Is the challenges of tourism development of your districts/town considered in the National tourism development strategies and programs? | Yes                                       | 8 | 7  | 10 | 7 | 32 |
|   | No  | 1 | 1  |    |   | 2  |
|   | I don't know                              | 1 | 2  |    | 1 | 4  |
| If yes, please specify:   | TDS 2030                                  | 4 | 3  | 2  | 6 | 15 |
|   | TDP 2018-2020                             | 3 | 2  | 8  | 5 | 18 |
|   | Action plan 2019-2021                     | 5 | 7  | 4  | 7 | 23 |
|   | Action plan dedicated to the YRTF 2019-21 | 5 | 8  | 8  | 5 | 26 |
| Does your district/town have tourism destination management organization?   | Yes                                       | 9 | 10 | 10 | 8 | 37 |
|   | No  | 1 |    |    |   | 1  |
|   | I don't know                              |   |    |    |   | 0  |
| If yes, please specify:   | CTD                                       | 4 | 3  | 2  | 1 | 10 |
|   | Local municipality                        | 6 | 6  | 7  | 5 | 24 |
|   | Private sector                            |   | 1  |    | 1 | 2  |
|   | NGO                                       |   |    |    |   | 0  |
|   | other                                     |   |    | 1  | 1 | 2  |

Source: Results of the survey. Created by the Author.

Most of the respondents mentioned national development plans and programs as a main program for tourism development in their districts, in particular the Action plan dedicated to the “Years of Rural, Tourism and Folk Crafts Development” 2019-2021 and Action plan for implementation of the Tourism development strategy of the Republic of Tajikistan for the period 2019-2021. Also, the analysis shows that DMOs have not formed in the rural areas of Tajikistan. Tourism is mainly managed by local municipalities and there are no DMOs for coordination or assistance of the tourism entrepreneurs in local areas. The results of the survey show that 63% of respondents mention the local municipality as a DMO, 26% mention TDC, 5% indicate the private sector, and another 5%. mention ‘Other’ but did not specify what they meant. Development of tourism

programs through the participatory and strategic planning and establishment of DMOs could help in defining the challenges, increasing the attention of tourism stakeholders, and in greater involvement of local or community people in implementation of the programs.

## **5.9 Conclusions**

This study provides empirical evidence on the role of tourism in rural development in developing countries based on a case study of Tajikistan. The analysis revealed that tourism development activities in the rural areas of Tajikistan in the last five years attracted more than 6 billion Somoni (approximately USD 0.6 billion), contributed to the construction of more than 2000 tourist facilities, and the construction or renovation of 4637 local infrastructure items. This activity contributed to the creation of more than 16.5 thousand jobs, 0.7% of total employment. A well-defined and designed tourism policy, as well as Government support relating to tax and custom preferences for the industry are the fundamental success factors for tourism and rural development in the case of Tajikistan. FDI on the other hand does not flow to the rural tourism industry in developing countries at the early stages of tourism development as the results of this research show.

The research demonstrates that although tourism in Tajikistan is in its early stages of development, it is contributing to rural development, especially the attraction of investment, the improvement of infrastructure, employment creation, and improvements in the income of local people. Tourism in the rural areas of Tajikistan has also contributed to the development of local entrepreneurship. The empirical evidence revealed by this study clearly indicates that tourism can play an important role in rural development in developing countries; if tourism development programs and policies are designed



properly, they will remove the existing challenges and constraints in rural areas. However, there are still some challenges to be considered when seeking to increase the contribution of the industry to rural areas. In particular, the lack of human capacity in rural regions, the weak awareness in local and foreign business of the business opportunities, and the centralization of planning for rural tourism development that means weak community involvement. The seasonality of most of the tourism flows is also another challenge that needs to be considered by the Government in future planning for tourism-based rural development in Tajikistan.

## **CHAPTER 6: SWOT ANALYSIS ON THE POTENTIALS AND CHALLENGES OF TOURISM DEVELOPMENT IN RURAL TAJIKISTAN**

### **6.1 Introduction**

The sector's growth in the last 20 years and its contribution to the global economy has lifted tourism to third place as an export industry in the world and proved that it can play a vital role in the socio-economic development of nations (Frechtling, 2013). The General Assembly of the United Nation adopted Resolution A/RES/70/193, which outlines the role of tourism in socio-economic development, at its 70th session on 22 December 2015. This resolution outlines: "The important role of sustainable tourism is as a positive instrument towards the eradication of poverty, the protection of the environment, the improvement of quality of life, and the economic empowerment of women and youth" (UNWTO, 2018). The resolution further encourages governments, international organizations, the private sector, and all other stakeholders to work for sustainable tourism development. To fulfill this resolution the impact of tourism has been studied from various perspectives; particularly covering the creation of new jobs, the development of entrepreneurs, the development of the private sector, investment attraction, cultural preservation, poverty alleviation, and in general for living standard improvement (Ibanescu et al, 2018; Feng et al, 2018; Irshad, 2010; Donaldson, 2007). Another characteristic of tourism that has lately gained recognition is its contribution to rural development, particularly in developing countries (Gannon, 1994; Lane, 1994; UNWTO, 2017).

Considering the above characteristics, the Government of Tajikistan prioritized the tourism sector and gives tax and custom preferences to the industry. The results on

the impact of tourism in rural areas shows that the share of tourism is not significant in the national economy. For instance, tourism creates only around 0.7% of total employment and most of the jobs are seasonal and low paid.

Moreover, the results of a study of the ‘Value chain analysis of tourism sector in Tajikistan’ conducted by the World Bank in 2016-17 shows that 70% of tourism related jobs are created in Dushanbe, the capital city (Dermastia et al, 2017). However, the main destinations that attract foreign tourists are the Pamir mountains in the Gorno Badakhshan Autonomous Oblast (GBAO) and the Zarafshan valley in the Sughd region (GoT, 2018; Dermastia et al, 2017). Since the overall focus of the present study is on rural development through tourism this chapter analyzes the situation, potential and challenges of the tourism sector in the local regions of Tajikistan based on the literature review, interview data, and survey data. To achieve the objectives of the research the following questions must be answered: 1. what are the potentials for rural tourism development; and 2. what are the challenges hindering tourism development in Tajikistan? This chapter has first briefly described the existing tourism development programs and the policies adopted for tourism development. Now, based on the results of the survey, the SWOT (Strengths, Weaknesses, Opportunities, and Threats) relating to tourism in Tajikistan can be discussed.

## **6.2 SWOT Analysis**

Various studies have used SWOT analyses to define the internal and external environments of the tourism sector systematically and thoroughly (Evans, 2015; Evans, et al, 2003; Yu, 2005). The general difference between the two environments is the control that an organization may have over the factors defining it. SWOT analysis has also been

used for comparative studies, for example, Bardolet and Sheldon (2008) compared the Balearic Islands with Hawaii using SWOT analysis to define similar factors in the two destinations. As a result of all this work SWOT is recognized by international organizations as an analytical tool for strategic planning and management (Farkhudinov, 2016). Evans (2015 p.307) suggests that the following is the value of SWOT analysis:

“SWOT is the key technique for presenting the results of a strategic analysis. It provides a platform for going on to formulate the strategy for the future. The strengths and weaknesses should normally be based upon the internal analysis of the organization whilst the opportunities and threats should be based upon an analysis of the organization’s external environment” (Evans, 2015, p. 307).

This shows that SWOT analysis as a tool can be used for systematically defining real potentials and constraints and helps us to realize what the main challenges are and how to deal with them. SWOT analysis provides the analyst with a whole picture of the situation and those factors that can cause problems and challenges (Kotler et al, 2013). However, it should be based on deep and accurate assessment of a destination’s promising opportunities and challenges. To sum up, SWOT analysis is a strategic and analytical instrument that provides the researcher with precise ideas about the internal and external characteristics of an organization or destination where strengths and opportunities are defined as potentials and weaknesses and threats as the challenges of that organization or destination (Evans, 2015).

### **6.3 A SWOT Analysis of Tourism in Tajikistan**

This section provides a summary of the SWOT analysis carried out for this study and discusses the findings. First, it identifies and describes the internal factors (strengths and weaknesses) and then the external factors (opportunities and threats), which reflect the potentials and challenges of the tourism sector in Tajikistan. In the beginning of each section a summarized table of the results of the survey is presented, based on a dictum of Evans (2015 p.310), which states that "...a maximum of six points should be presented under each of the SWOT headings" (Table 6.1). However, considering the total number of factors in the questionnaire and the significantly high scores on internal factors (strengths and weaknesses) of the tourism sector in Tajikistan, this study provides 10 factors under each of these headings. While for the external factors (opportunities and threats) 6 factors are defined based on Evans (2015).

Table 6.1 A SWOT analysis of the tourism sector in Tajikistan

|                         | Potentials   | Challenges  |
|-------------------------|--|---|
| <b>Internal factors</b> | <p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Natural beauty</li> <li>• Ancient and historical sites</li> <li>• Hospitable and friendly people</li> <li>• Government willingness</li> <li>• Safety and security</li> <li>• Existing folk crafts</li> <li>• Relatively unexplored sites</li> <li>• Existing of tourist and recreational zones</li> <li>• Low labor cost and inexpensive tourism services</li> <li>• Existing legislative and regulatory bases</li> </ul> | <p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Weak tourism infrastructure</li> <li>• Weak public infrastructure</li> <li>• Inadequate funding and investment</li> <li>• Undeveloped private sector and entrepreneurship</li> <li>• Not commercialized tourism products</li> <li>• Weak access to the country and regional connectivity</li> <li>• Lack of tourist destination management capacity</li> <li>• Lack of marketing and networking skills</li> <li>• Single season-oriented tourism</li> <li>• Lack of professional human resources</li> </ul> |
| <b>External factors</b> | <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Good relationships with neighboring countries</li> <li>• Potential for regional tourism development</li> <li>• Potential for developing various types of rural tourism</li> <li>• Potential for investment attraction</li> <li>• Potential for new regional tourism routes (Tajikistan, Afghanistan, and Pakistan).</li> </ul>  | <p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Existence of competitors</li> <li>• Bordering with Afghanistan</li> <li>• Climate change and natural disasters</li> <li>• High travel cost</li> <li>• Pandemic and other diseases</li> <li>• Deterioration of relations with neighboring countries</li> </ul>  |

Source: Results of the survey. Created by the Author.

### 6.3.1 Strengths

This section provides a summary of the results of the survey on the strengths of tourism sector and discusses the findings. The strengths are identified as tourism resources and

assets that could be used for tourism development. These are under the control of the organization or destination. Insufficient attention to the strengths factor will make them weaknesses of the destination.

Table 6.2 A summary of observations on the strengths of the tourism sector in Tajikistan

| #   | Strengths   | Mean | STDEV |
|-----|---|------|-------|
| 1.  | Natural beauty  | 4.7  | 0.5   |
| 2.  | Hospitable and friendly people                            | 4.6  | 0.6   |
| 3.  | Ancient and historical sites, and cultural richness       | 4.5  | 0.7   |
| 4.  | Government willingness                                    | 4.4  | 0.8   |
| 5.  | Safety and security                                       | 4.5  | 0.8   |
| 6.  | Existence of folkcrafts                                   | 4.2  | 1.0   |
| 7.  | Relatively unexplored sites                               | 4.2  | 0.7   |
| 8.  | Existence of tourist and recreational zones               | 4.0  | 0.8   |
| 9.  | Low labor cost  | 4.0  | 1.0   |
| 10. | Existence of regulatory organization and legislative base | 3.9  | 1.0   |
| 11. | Potential for the expansion of year-round tourism         | 3.9  | 1.1   |
| 12. | Tax and custom preferences for tourism businesses         | 3.8  | 1.0   |
| 13. | Simplified visa procedure for entries of tourists         | 3.8  | 1.0   |
| 14. | Potential for Central Asia regional tourism development   | 3.8  | 0.8   |
| 15. | Existence of educational institution                      | 3.6  | 0.9   |
| 16. | Inexpensive tourism products and services                 | 3.6  | 0.7   |
| 17. | Financial support (WB, ADB and others)                    | 3.6  | 0.9   |
| 18. | Health and hygiene  | 3.5  | 1.1   |
| 19. | Existence of international airports                       | 3.4  | 0.7   |
| 20. | Existence of a regional railway                           | 3.1  | 0.9   |

Note: A higher value means greater value is placed on the “strength”.

Source: Results of the survey. Created by the Author.

### 6.3.1.1 Natural beauty

According to the result of the survey, the natural beauty of the country is considered as a real strength for tourism and rural development. Some of these attractions are the high

mountains (Ismoili Somoni at 7495m, Korjenevsky at 7105m, Fedchenko glacier, the world's longest glacier, the Pamir highway, the Fann and Pamir mountains, and the beautiful lakes and healing waters that are found in Tajikistan. The natural beauty of Tajikistan is distinctive and ensures the competitiveness of Tajikistan in the region. The high mountains and the lakes in the hills have real potential for rural tourism development, especially nature-based tourism, adventure tourism, mountain tourism, agritourism and so on.

#### **6.3.1.2 Hospitable and friendly people**

The next strength for tourism development in Tajikistan that the survey found is its hospitable and friendly people. Although from the economic perspective it might not be evaluated positively, from the social perspective it is highly significant. The generosity of the Tajik people has been repeatedly noted by foreign visitors and tourists. For example, the ADB country Director, Mr. Pradeep Srivastava mentioned the following about the people of Tajikistan: ‘Tajiks are among the most “dildar” (generous of heart) people I have ever met. Some of my happiest memories in the country are linked to being surprised on project site visits when, completely out of the blue, even in the poorest of small towns or villages, people would lay out a “dastarkhan” – a feast-laden table – on the pretext of inviting us for “a cup of chai (tea)”. Indeed, my biggest warning to anyone visiting Tajikistan would be to watch out for that highly deceptive phrase: “I would like to invite you for a cup of tea”. You can skip meals for the next two days after that! It is not just about food, “dildar” is about a generosity of spirit that pervades all interactions with people in Tajikistan’ (Srivastava, 2020).



### **6.3.1.3 Ancient and historical sites, and cultural richness**

Another competitive strength that Tajikistan has for tourism development is its ancient and historical sites. The results of the survey show that respondents on average strongly agree with this factor. This is due to the facts that Tajikistan has a rich history and culture. According to the Ministry of Culture there are 3000 registered historical place and monuments in the country, with 8 being included in the UNESCO World Heritage List (Davlatzoda, 2020). The historical and archeological base of Sarazm, which dates from early Neolithic times to the late Bronze age, from 3500 to probably about 2000 BCE (Razoqov et al, 2005), is one such place. In 2020 Tajikistan celebrated the 5500<sup>th</sup> anniversary of Sarazm. Other famous historical and cultural reserves in Tajikistan included in the UNESCO World Heritage List are the ancient fortress of Hisor, Khujand castle, Hulbuk castle, and others. These historical and cultural monuments are real opportunities for tourists to learn about the ancient history of the Tajik nation, its tradition and culture. Another historical and cultural richness of Tajikistan is that it was an integral part of the ancient Silk Road. The National Geographic magazine placed the Pamir part of the road in the top 10 beautiful world roads and the Britain journal Wanderlust included Tajikistan in the 10 top interesting countries to visit in 2018 (CTD, 2019) based on this heritage.

### **6.3.1.4 Government willingness**

Government willingness toward tourism development is identified as another strength of tourism development in Tajikistan. The Government of Tajikistan from the early days of independence has paid attention to the tourism sector. As outlined earlier, this aim has been developed and adopted in the Law of the Republic of Tajikistan “*On Tourism*”, the

plan for tourism development in the Republic of Tajikistan for the period 2009-2019, and the strategy for tourism development to 2030, and other development programs and plans. Also, Tajikistan implements a simplified visa procedure for the citizens of 112 countries, has established E-visa, and promoted tax and custom preferences. All of these are considered as showing government willingness towards tourism development. Also, tourism related companies and businesses are tax exempt in the first five years of their performance and import of equipment and construction materials for tourist facilities is exempted from value added tax and custom duties. Considering these variables this factor is identified as another strength of tourism development in Tajikistan as the results of the analysis show.

#### **6.3.1.5 Safety and security**

Another strength of the tourism sector that the survey found is safety and security in the country. The safety and security of Tajikistan has also been mentioned positively in international reports. For instance, in 2019 the Gallup analytics and advisory company ranked Tajikistan in second place in its list of safe and secure countries in the world based on a survey of citizens of 142 countries. Taking this into account, security and safety can be assessed as positive for tourism development in Tajikistan (A. Qurbonov, personal communication, 23.12.2020). The existence of independent tourists and backpackers is another indication of the safety and security of Tajikistan.

#### **6.3.1.6 Existing folkcrafts**

Based on the results of the survey, the existence of folkcrafts is identified as a strength factor for tourism development in Tajikistan. Tajikistan has been famous for its craftsman

and their creations in the Central Asian region for centuries. Handicrafts from natural resources like silk, fabrics, carpets, dishes, musical instruments, jewelry and so on being particularly famous from the 11th Century CE (Kamolova, 2019). These folkcrafts in tourism industry considered important since visitors and tourists buy souvenirs as a memory of the destination.

#### **6.3.1.7 Relatively unexplored sites**

The Pamir highway and the Fann mountains are known worldwide and are currently counted as the main foreign tourist attractions in Tajikistan. These two regions were popular in Soviet Union times for trekking and provision of sport competition. However, there are a lot of unexplored tourist sites. For instance, Sari Khosor in Baljuvon district and Chiltukhtaron in the Muminobod district have unique natural landscapes, but these destinations are unknown even for the citizens of Tajikistan. There are also a lot of other attractions in the Khatlon region and DRS that can be of interest to foreign tourists. Considering the above mentioned this factor is identified by respondents as a strength for tourism development.

#### **6.3.1.8 Existing tourist and recreational zones**

Furthermore, the results of the survey show that the existence of tourist and recreational zones in the country is a strength of the tourism sector. According to the Committee for Tourism Development there are 289 tourism facilities in Tajikistan in 2020. Particularly, 70 resort and sanatorium facilities, 188 hotels, 9 recreational zones, and 4 tourism and leisure bases (CTD, 2020). The famous recreational zones in Tajikistan are Bahoriston in the Sughd region, Khoja Obi Garm and Safed Dara in the Varzob district, and Garm-

Chashma and Bibi Fatima Zahro (hot springs) in the Badakhshan region. So, existing facilities are considered as a strength, especially for domestic tourism development.

#### **6.3.1.9 Low labor cost and inexpensive tourism services**

Other strength factors for tourism development in Tajikistan, are low labor costs and inexpensive tourism services. According to a Jobs value chain survey conducted by the World Bank in Tajikistan in 2017, the average wage in the tourism sector is in line with the average wage, which was 1150 Somoni (approximately 100 US dollars) in 2017 (Dermastia et al, 2017). Also, Dall'Olia (2019) states that on average a tourist spends between 800 and 1400 US dollars for a 6-12 day stay in Tajikistan, very low in comparison to the global average spent on similar activities. This difference was also highlighted in an opportunity study conducted by the International Trade Center in Tajikistan (Laurent et al, 2014).

#### **6.3.1.10 Existing legislative and regulatory bases**

It is necessary to mention that until 2017 there was no separate agency for tourism development in Tajikistan. Tourism development measures were regulated by the Committee of Youth Affairs, Sport and Tourism of the Republic of Tajikistan. This is because tourism activities were closely related to sport during the Soviet Union and alpinism and trekking were the main tourism products. In 2017, in line with other tourism development policies the Committee for Tourism Development was established (GoT, 2017). According to the Decree of the Government of Tajikistan the Committee for Tourism Development is the central executive body performing special executive control, permissions and other functions established in the sphere of tourism development (GoT,

2017). The responsibilities of the Committee do not differ much from those of the Committee for Youth Affairs, Sport and Tourism, but the good thing is that it will hire specialists from the tourism field and develop programs and strategies with more focus on tourism development. Right after the establishment of the Committee for Tourism Development the Strategy for Tourism Development for the period of 2030 and the Tourism Development Program for 2018-2020, which define the main priorities and goals of tourism development in Tajikistan, were developed and adopted. Thus, existing legislative and regulatory bases are identified as a strength of the tourism industry and the results of the present study also indicate the significance of this factor.

### 6.3.2 Weaknesses

The weaknesses are the obstacles that need to be addressed or eliminated so that they do not become a barrier for tourism development. This section provides a summary of the results of a survey on the weaknesses of tourism sector that are hindering arrivals of more tourists and its better contribution development of the destination. Further, in this section the findings of the study are analyzed and discussed.

Table 6.3 A summary of the perceived weaknesses of the tourism sector in Tajikistan

| #   | Weaknesses  | Mean | STDEV |
|-----|---|------|-------|
| 1.  | Weak tourism infrastructure                           | 3.5  | 0.8   |
| 2.  | Weak public infrastructure                            | 3.7  | 0.9   |
| 3.  | Inadequate funding and investment                     | 3.7  | 0.7   |
| 4.  | Undeveloped private sector and entrepreneurship       | 3.5  | 0.9   |
| 5.  | Non-commercialized tourism products                   | 3.5  | 0.9   |
| 6.  | Weak access to the country and regional connectivity  | 3.5  | 0.9   |
| 7.  | Lack of tourist destination management capacity       | 3.6  | 0.9   |
| 8.  | Lack of marketing and networking skills               | 3.6  | 1.0   |
| 9.  | A single season-oriented tourism (summer)             | 3.4  | 0.9   |
| 10. | Lack of professional human resources                  | 3.4  | 1.0   |
| 11. | Weak tourist information centers                      | 3.6  | 0.9   |
| 12. | Absence of methodology for tourism impact measurement | 3.5  | 1.0   |
| 13. | Lack of transport and communication services          | 3.4  | 0.9   |
| 14. | Poor tourism services                                 | 3.4  | 1.0   |
| 15. | Existence of competitors in the region                | 3.3  | 0.9   |
| 16. | Absence of tourism statistics                         | 3.3  | 0.9   |
| 17. | Geography and isolation                               | 3.2  | 0.9   |
| 18. | Weak developed regional connectivity in CA            | 3.0  | 0.8   |
| 19. | Unfavorable business environment                      | 2.9  | 0.8   |
| 20. | Restrictions on internal movement                     | 2.9  | 0.8   |

Source: Results of the survey. Created by the Author.

### **6.3.2.1 Weak tourism infrastructure**

Tourism in Tajikistan is a relatively new sector of the economy. The Government of Tajikistan is adopting the necessary policies to develop tourism and increase its economic benefits, however insufficient public and tourism infrastructure are identified as the weaknesses of the sector. The results of the SWOT survey show that inadequate tourism infrastructure is one of the foremost weaknesses of the tourism sector in Tajikistan. First, the online booking system is not developed in the country, except for a few brand hotels, tourism accommodation facilities in local regions do not have an online booking system and majority of hotel staff speak only Tajik or the Russian language, which is challenging for tourists from European or southeast Asian countries.

Second, there is a weak tourist information system. According to the Committee for Tourism Development currently (in 2020) there are 4 tourist information centers in Tajikistan located in Dushanbe and in the centers of the three Regions of the country, with 60 tourist information kiosks established in the centers of cities and districts. However, the staff of these information centers are not experienced in the tourism sector and are unable to give proper guidance and information, and some of them hardly speak English. For those tourists who cannot speak Tajik or Russian it can be hard to reach tourist destinations in the country.

Third, there is no adequate infrastructure for non-cash payments in the tourism sector. Although, the number of ATMs installed in the country increased from 762 in 2015 to 1,249 in 2020 (NBT, 2020) most of them are inside the banks or located far from the main roads, which is inconvenient for tourists. Other challenges with ATMs are that they are oriented mainly for payments by national cards and the majority do not accept

foreign bank cards (Bleuer, 2020). Moreover, the tourist accommodation facilities in local regions do not have the infrastructure for non-cash payments and tourists cannot complete payments by bank cards like Visa or Mastercard. This causes difficulties for tourists who are used to pay cashless, by bank cards in other countries. Results of the survey also confirm the lack of the tourism infrastructure in the rural areas validating the significance of the factor as a weakness of the sector.

### **6.3.2.2 Weak public infrastructure**

Lack of transport and communication services, no adequate access to water and sewerage systems, and no good roads are identified as weaknesses in the tourism sector in rural areas of Tajikistan. Although two modes of transportation, land, and air, exist in the country, the air mode is not always operating as needed due to weather conditions. For example, flights to Khorog, the center of the GBAO, are nearly always delayed due to bad weather conditions. Therefore, the main mode of transport is by land, which includes cars and buses, but there are no regular (scheduled) buses between Dushanbe and other local regions, especially to the two main tourist destinations (GBAO and Sughd). Currently private taxis provide services to these regions, but expense and the absence of regular schedules makes movement challenging for backpackers and individual tourists (Bleuer, 2020). Launching local flights, particularly to Khorog could lead to an increase in the number of visitors.

Studies show that currently there are two types of tourists visiting Tajikistan, individuals, who visit the country without any prior reservation, mainly backpackers and bikers, and group tours which visit based on the services of tour companies (Dall'Olio, 2019). Those tourists who buy tours do not mind about public infrastructure, but for



backpackers and bikers it might be challenging to reach tourist destinations. Although the roads leading to the two main tourist destinations (Pamir partly and Zarafshan) and roads with international importance are paved, accessing other tourist attractions off the main roads is wearying due to a lack of good roads. Further, access to water and sanitation is challenging in Tajikistan, particularly in rural areas. According to the study conducted jointly by the Ministry of health and social protection and the Statistical Agency in 2017, 87.2% of the urban and 35.4% of the rural population are connected to water pipelines and approximately 60% of the urban and around 1.7 percent of the rural population have access to a sewerage system (Stat Agency, 2018). Therefore, weak public infrastructure is identified as a weakness of the tourism sector and our study also shows a similar result.

### **6.3.2.3 Inadequate funding and investment**

Lack of funding and investment especially from the state budget is defined as a weakness of the tourism sector in Tajikistan. Analysis of the tourism development programs shows that annually for the implementation of these programs the Government locates a certain amount of money (two million Simoni) from the State budget, yet this is not enough for the implementation of tourism infrastructural projects, so it is mainly for institutional and organizational activities (Fora, festivals, conferences). Therefore, the Government of Tajikistan is actively seeking foreign and domestic investment for the development of the tourism sector. The results of our analyses also show that most respondents agreed with this outcome.

#### **6.3.2.4 Undeveloped private sector and entrepreneurship**

The results of the survey show that the undeveloped private sector and lack of entrepreneurship is another weakness of the tourism sector. The private sector is not active in the elaboration and implementation of tourism development programs. This is because during the Soviet Union period the planning system used a top-down approach, and the private sector did not exist. Thus, although a number of training and capacity building activities with a strategic planning approach have been provided as part of the development of rural programs, local people still expect implementation of initiatives and projects by the government.

Another issue is that tourism in Tajikistan is still seen as a social phenomenon (hospitality) and the majority of residents do not understand its economic importance. Consequently, entrepreneurship is not developed in the tourism sector because the majority of people see tourists as guests not as consumers. According to the Committee for Tourism Development there are around 500 enterprises registered in Tajikistan, but more than 40% of them are tour companies. Another reason of course is the lack of funds, especially in the local regions, common to developing countries. In addition, while community-based tourism can be one of the solutions for the involvement of the private sector, unfortunately neither in TDP 2018-2020 nor in the newly adopted Law of the Republic of Tajikistan “On tourism” is Community based tourism considered. Introducing community-based tourism could be an effective tool to involve the private sector, source more finance, and develop entrepreneurship in the tourism sector in the country.

### **6.3.2.5 Non-commercialized tourism products**

Tajikistan has very rich natural and cultural resources that currently attract thousands of international tourists. It is obvious that tourists come to see the high mountains and beautiful lakes, as well as to explore the culture and traditions of the country. However, the need for tourism products consist of more elements and services than tourism destinations can provide, and it requires entrepreneurial ability to offer these services and gain benefits. Some of these services are indeed provided by local people, but first this is usually totally free and second it is not on the level needed to satisfy tourists. The current survey also found non-commercialized tourism products to be a weakness of the tourism sector.

### **6.3.2.6 Weak access to the country and regional connectivity**

Tajikistan is located in the heart of Central Asia and access to the country is not easy due to lack of international flights. Only a few airlines fly to Tajikistan and there is no western airline among them. The country is far from the developed countries and flights are relatively expensive in comparison to the neighboring countries. Although some tourists access the country through the neighboring countries, absence of regular transport services between the Central Asian countries is another challenge for visitors. Although the relationship with Uzbekistan is much better starting from 2018 than it was during previous years, the regional potential is not utilized adequately. Thus, access to the country is identified as another weakness for the tourism sector and the results of the survey also show the significance of this.

### **6.3.2.7 Lack of tourist destination management capacity**

Another important factor in sustainable tourism development is identified as a lack of destination management organizations (DMOs). Although the newly established Committee for Tourism Development is actively promoting tourism at the national level these measures are limited at the regional level and the basic elements of DMOs are not found in rural areas as yet. Furthermore, local government does not have the capacity to stimulate and encourage residents to work together and benefit from tourism. The results of the present analysis show that most of the respondents agree on the lack of tourist destination management capacity.

### **6.3.2.8 Lack of marketing and networking skills**

Also, a lack of marketing and networking skills are identified as weaknesses of tourism in Tajikistan. Most tourist destinations do not have any marketing activities due to lack of capacity. Inadequate capacity, both in term of human and physical resources are the main challenges for this factor. Also, tourism stakeholders have weak networking skills in the majority of cases as they do not have their own websites and in some cases do not know how to offer their goods and services to the market.

### **6.3.2.9 A single season-oriented tourism**

Results of the analysis shows that another weakness of the tourism sector in Tajikistan is that it is identified as a single season-oriented tourism. Tajikistan attracts the adventure tourist and as was mentioned earlier its main tourist destinations are the GBAO in the north and the Zarafshan valley in the west, which are high altitude locations between 3000 to 7495 meters above sea level. Tourism is concentrated in the summer season due to

weak tourist services and little public infrastructure, especially transport and communication systems during the winter in these destinations. Moreover, some rural areas face electricity shortages during the winter. The southern part of the country has rich natural and cultural resources for welcoming tourists year-round but has not developed tourism infrastructure, and weak advertisement and lack of DMOs are the main constraints in addition to this. The Khatlon region has potential for year-round tourism development, since it is not far from the capital city and the roads to it are much better.

#### **6.3.2.10 Lack of professional human resources**

The travel and tourism competitiveness report of 2017 ranks Tajikistan human resources in 36th place out of 136 but defines this as a strength of the country (WEF, 2017). Currently in Tajikistan 14 universities, two college and three lyceums provide tourism related courses and training for students. According to the Ministry of Economic Development and Trade, the main agency for development of the planning of student enrolment to higher educational institutions, the total number of students enrolled in these institutions in 2020 is around 3000 (B. Mahmadullozoda, personal communication, 2021.01.27). However, in most of national universities where tourism related programs exist, courses offer mainly theoretical based knowledge and lack practical exercises. According to the present survey existing human resources in the tourism sector are not highly qualified and there is a crucial need for professionalism. Although some respondents disagreed with the existence of this factor our analysis shows that it is significant.

### 6.3.3 Opportunities

Table 5.4 provides summary of the results of the survey on the opportunities of tourism sector, these are defined as potentials or advantages of destination. However, destinations have little control over these factors. Development of proper strategy on these factors could expand the social economic benefits and avoid potential threats to destination. This section presents and discuss the findings of the study on the identified factors.

Table 6.4 A summary of the opportunities in the tourism sector in Tajikistan

| #   | Opportunities   | Mean | STDEV |
|-----|---|------|-------|
| 1.  | Good relations with neighboring countries               | 4.1  | 0.6   |
| 2.  | Potential for regional tourism development              | 4.1  | 0.7   |
| 3.  | Potential for developing various types of rural tourism | 4.0  | 0.8   |
| 4.  | The country's international rating                      | 3.9  | 0.9   |
| 5.  | Potential for investment attraction                     | 3.9  | 0.9   |
| 6.  | Potential for new regional tourism (TAP)                | 3.3  | 1.0   |
| 7.  | Young workforce   | 4.2  | 0.6   |
| 8.  | Potential for job creation                              | 3.0  | 0.7   |
| 9.  | Undiscovered tourism potentials in local regions        | 4.1  | 0.6   |
| 10. | Four season tourism opportunities                       | 4.1  | 0.7   |
| 11. | Construction of roads                                   | 3.8  | 0.8   |
| 12. | Construction of HPP Rogun                               | 4.2  | 1.0   |
| 13. | Trekking  | 3.2  | 0.6   |
| 14. | Religious tourism                                       | 3.9  | 0.9   |
| 15. | Nature based tourism                                    | 4.0  | 0.8   |
| 16. | Agritourism   | 3.9  | 0.8   |
| 17. | Hunting tourism   | 4.0  | 0.9   |
| 18. | Ecotourism  | 4.2  | 0.8   |
| 19. | Health and recreational tourism                         | 4.1  | 0.8   |
| 20. | Science tourism   | 3.6  | 0.9   |

Results of the survey. Created by the Author.

### **6.3.3.1 Good relationships with neighboring countries**

The results of the survey are that one of the important factors that is seen as an opportunity for tourism development is a good relationship with neighboring countries. Starting from 2017 the relationship between Uzbekistan and Tajikistan reached new levels of cooperation after a long-term difficult relationship. The air and railway transport systems between the two countries that were stopped for around 10 years were newly opened in 2018 by the initiatives of the two countries' presidents. This has contributed to increasing the number of tourists visiting both countries. According to official statistics the number of visitors from Uzbekistan in 2019 reached 0.84 million, 8 times higher than in 2017 (CTD, 2020). Considering the above-mentioned data, a good relationship with neighboring countries is identified as an opportunity for tourism development.

### **6.3.3.2 Potential for regional tourism development**

Although Central Asia is becoming a well-known destination worldwide, regional tourism is not well developed internally. The governments of the Central Asian countries did not pay attention to regional tourism development. Recently, some individual tourists from European countries, who visit Uzbekistan or Kyrgyzstan also included Tajikistan on their trip, however the number of these visitors is small. The evidence is promising for regional development however and are an opportunity to boost cooperation in the tourism sector between the Central Asian countries. The results of the survey also show that there is a huge potential for regional tourism development in Central Asian countries.

### **6.3.3.3 The potential for developing various types of rural tourism**

Tajikistan is a mountainous country. More than 90% of the territory of the country is covered by mountains. The specialty of the country is favorable for the development of the various types of rural tourism and increasing its benefit to local regions. Results of the analysis shows significant response on the opportunities for the development of different types of tourism, especially ecotourism, nature-based tourism, adventure tourism, mountain tourism, hunting tourism and other types of rural tourism.

### **6.3.3.4 The country's international rating**

Despite the civil war that Tajikistan faced at the beginning of its independence, and the social and economic damage that this war caused the country, the Government of Tajikistan has made significant efforts to promote social and economic development and political stability. As a result, the country is listed by international organizations, media, and international journals such as Wanderlust, Globe Spots, The Independent, the British Backpacker Society, and Gallup, as a TOP 10 safest and interesting county to visit for travel and tourism (CTD, 2020). The results of the present survey also sees these as an opportunity for tourism development.

### **6.3.3.5 Potential for investment attraction**

Development of the private sector and the attraction of investment is defined as a national development priority in Tajikistan (NDS, 2030). Tourism has real potential for investment attraction, especially private sector and foreign investment attraction. Currently, two investment projects are being implemented by the World Bank and Asian Development Bank with a combined total of 40 million US dollars for rural tourism



development (CTD, 2020). Considering the tourism potential of the country, tourism is identified as an opportunity for the attraction of private and foreign investment.

#### **6.3.3.6 Potential for new regional tourism routes (Tajikistan, Afghanistan, and Pakistan)**

Tajikistan borders with the Islamic Republic of Afghanistan, which in the future could be another tourism market. The famous Whakhan valley that crosses through Tajikistan and Afghanistan to Pakistan could be a good tourist route. Currently though the political instability in Afghanistan does not allow for implementation of this tourism opportunity. However, this factor is seen as a real opportunity for new regional tourism development in Central and South Asia. Although some respondents did not see any perspectives in this direction, on average this factor is seen as an opportunity for tourism and rural development.

#### **6.3.4 Threats**

This section provides a summary of the results of survey on the factors that might threaten destinations and discusses the findings of the study on the identified issues. Threats are the challenges that a destination has little management control over, but it is important to identify them and adopt actions for their elimination.

Table 6.5 A summary of the threats of the tourism sector in Tajikistan

| #   | Threats   | Mean | STDEV |
|-----|---|------|-------|
| 1.  | Existence of competitors in the region                | 3.7  | 0.9   |
| 2.  | Border with Afghanistan                               | 3.6  | 0.7   |
| 3.  | Climate change natural disasters                      | 3.5  | 0.8   |
| 4.  | High travel costs                                     | 3.5  | 1.0   |
| 5.  | Pandemic  | 3.5  | 1.0   |
| 6.  | Deterioration of relations with neighboring countries | 3.4  | 1.0   |
| 7.  | Environmental degradation                             | 3.3  | 1.1   |
| 8.  | Dependency on tourism                                 | 3.2  | 0.8   |
| 9.  | Snowfall and flooding                                 | 3.1  | 0.9   |
| 10. | Pollution   | 2.9  | 1.0   |
| 11. | Cultural effects                                      | 2.9  | 1.0   |
| 12. | Migration of labor force                              | 2.8  | 1.2   |
| 13. | Over tourism  | 2.8  | 0.9   |
| 14. | Prostitution  | 2.7  | 0.9   |
| 15. | Leakages  | 2.6  | 0.9   |
| 16. | Deterioration in the hygiene situation                | 2.6  | 1.0   |
| 17. | Increase in commodity price                           | 2.6  | 0.9   |
| 18. | Community conflicts                                   | 2.2  | 1.1   |
| 19. | Pressure on local resources                           | 2.0  | 0.8   |
| 20. | Terrorist actions                                     | 1.6  | 1.0   |

Results of the survey. Created by the Author.

#### 6.3.4.1 Existence of competitors in the region

Uzbekistan and Kyrgyzstan are more active in tourism development than Tajikistan. In addition, the travel cost is much cheaper for those countries compared to Tajikistan. Tajikistan for the first time in its history received more than one million tourists in 2018, but the number of tourists visiting Uzbekistan and Kyrgyzstan was three to four times as much. Moreover, considering the lack of capacity of tourism stakeholders in Tajikistan, tour companies from Uzbekistan have started organizing tours to Tajikistan. Tajikistan

currently cannot compete with these countries in the tourism sector due to lack of experience and high travel costs. This may lead to reduction in tourist spending and leakage of revenue. The results of the present survey also confirm existence of this factor as a threat to tourism development.

#### **6.3.4.2 Border with Afghanistan**

Although Tajikistan has been defined in the international assessment as a safe and secure country for travel, political instability in adjacent Afghanistan negatively affects the image of the country as a tourist destination. The existence of terrorist groups in Afghanistan is still seen as threat to particular social economic sectors of Tajikistan such as tourism. Considering the long border of Tajikistan with Afghanistan this factor is assessed as a threat to tourism sector as the results of the survey show.

#### **6.3.4.3 Climate change and natural disasters**

Tajikistan is a country with high risk of natural disasters due to its difficult relief, around 93% of the country is covered by mountains. Thus, natural disasters can cause additional challenges in the tourism sector, especially for the maintenance of tourism infrastructure. According to the World Bank (2020), during 1992-2016 natural and climate-related disasters led to GDP losses of roughly US\$1.8 billion in Tajikistan, affecting almost 7 million people. So, this factor is identified as a threat that puts constraints on tourism development.

#### **6.3.4.4 High travel costs**

In the tourism sector of Tajikistan one of the most important challenges is the travel cost, particularly airflight ticket costs, which are up to 50% higher compared to neighboring Uzbekistan and Kyrgyzstan. The main reasons behind this are the remoteness of the country and the high gasoline price. So, this factor is identified as a threat to the tourism sector in Tajikistan and the results of our survey also confirm the importance of this factor.

#### **6.3.4.5 The pandemic and other infectious diseases**

COVID 19 has affected the global economy (UNWTO, 2021). Tourism is one of the most affected sectors all over the world and Tajikistan is no exception. According to the Committee for Tourism Development of Tajikistan, in 2020 the tourism sector of Tajikistan operated 482 tourism enterprises that directly provide tourist services. Most of these enterprises are oriented to inbound tourism. The effect of the outbreak of COVID 19 and the subsequent closure of national borders meant a massive decrease in the number of inbound tourists. According to official statistics Tajikistan received around 350,000 foreign visitors in 2020, 72% percent fewer than in 2019. This led to a temporary suspension of 40% of guest houses and 80% of tour companies. Also, according to the Committee for Tourism Development, 90% of the tourist sector in Tajikistan lost between 50 and 100% of its yearly income (A. Qurbonov, personal communication, 2021.02.15). Thus, the pandemic and infectious diseases as a whole are identified as another threat to the tourism sector.

#### **6.3.4.6 Deterioration of relations with neighboring countries**

According to official statistics the number of tourists from Uzbekistan visiting Tajikistan in 2019 was 844 thousand, 75% of the total number of inbound tourists in 2019. Furthermore, due to relatively cheap air flight tickets tourists from some European countries, tourists prefer traveling through Uzbekistan to Tajikistan. The deterioration of the relations with neighboring countries might affect the number of inbound tourists. So, this factor is identified as a threat to the tourism sector of Tajikistan. The results of the survey also assess this factor as a threat to the tourism sector.

#### **6.4 Conclusions**

Tajikistan has real potential for tourism development. In particular, its natural beauty and historical sites, which are known worldwide, are important. Also, the Government of Tajikistan sees tourism as a promising sector that can attract investment, create jobs, and improve living standards in the country. The SWOT analysis results from the present study (Table 5.1) also prove the existence of tourism potential and the opportunities for Tajikistan to attract far more tourists. However, since the country is still in the early stages of its tourism development there are some challenges that hinder the achievement of bigger goals. Also, some prerequisites of tourism development are not created properly and are barriers to the involvement of the private sector, and therefore affect the development of enterprises in the tourism industry. The most crucial challenges that face the tourism sector in the current stage, particularly in local regions, are the inadequate infrastructure (both public and tourism infrastructure), the undeveloped private sector and entrepreneurship, the absence of tourist destination management organizations as well as

marketing activities, and a lack of professional human resources in all tourism industry niches.

The national development strategies and programs for tourism development are paying attention to activities like the creation of institutional bases and have limited financial resources, since most of the activities must be financed by the national budget. Moreover, analysis shows that although the strategic goals and priorities of the tourism sector are identified in these programs, the activities and projects are more institutional and are lacking in implementation measures. In this regard the support of international organizations and financial institutions is crucial and timely. The World Bank implements projects for rural economy development that expected to partly solve some of the above challenges, especially the reconstruction and renovation of tourist sites, the development of new tour packages, and the setting up of background for tourism development. Similarly, the ADB in 2020 started realization of the Tourism Development Project, which includes capacity building activities as well as enhancements of tourism statistics and the creation of a tourism satellite account to define the share of tourism in the economy of Tajikistan.

However, Tajikistan is still in the early stage of its tourism development and to be able to set up sustainable tourism that could match the objectives and goals of the country it is necessary to formulate the preconditions for tourism development and meet the above challenges. Nevertheless, this study shows that Tajikistan has real opportunities in combining tourism and rural development, since most of the tourism potential is in the rural area.

## **CHAPTER 7: DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

### **7.1 Introduction**

The results of the literature review for the present study show that in most cases, however, that the economic impact of tourism is what is investigated, based on data aggregation leading to Tourism Satellite Accounts in most markets. Yet, tourism statistics and the TSA are not developed in most developing countries like Tajikistan, the case study area for the present research, and studies claiming that tourism is a panacea for rural problems may therefore not necessarily reflect the reality of the rural areas in developing countries. This may also be because in the rural areas of developing countries basic infrastructure capable of supporting tourism is not formed and one of the main constraints in this is the lack of financial resources in these countries.

The present research is based on a case study of the rural areas of Tajikistan and defines the role of tourism in rural development and sheds light in this direction. Specifically, this study highlights the impact of tourism on investment attraction, rural infrastructure development, and employment creation, which are the main elements of rural development. To do this it analyzes the potentials and challenges of rural tourism development in Tajikistan. The role of tourism in FDI attraction to rural areas is also examined in the case of Tajikistan. This final chapter presents a further summary of the results and discusses the findings of this study. Also, based on the defined challenges the study suggests recommendations for better tourism planning and rural development in developing countries like Tajikistan. Finally, the limitations of this study are stated and suggestion for further studies are made.

## **7.2 Discussion**

The main aim of this research was to further examine the role of tourism in rural development using Tajikistan data as a case study. To achieve the overall aim of this research 6 individual objectives were developed. Objectives One and Two, detailing the background and prerequisites of rural tourism development and foreign capital inflow to developing countries are achieved through a comprehensive literature review. To understand the whole picture of rural tourism development in Tajikistan, Objective Three analyses the evolution and development of tourism in Tajikistan. Although all objectives individually contribute to the achievement of the main aims of the research, a particularly valuable part of this research relates to Objectives Four and Five that define the potentials and challenges of rural tourism development and explore the role of tourism in rural development in Tajikistan. Lastly, based on Objective Six recommendations for tourism and rural development are proposed.

### **7.2.1 The prerequisites of rural tourism development and its role in foreign capital accumulation (Objectives One and Two)**

To achieve these objectives a comprehensive literature review was undertaken. The literature review first defines the theoretical and conceptual roots for this research to create a basis for analysis. The literature review materials include a careful review of existing academic papers and materials and reports from international organizations, like UNWTO, WB, ADB, WTTC and others. Though in most of the reviewed literature tourism is acknowledged as a tool for development it requires investment in its prerequisites. The prerequisites of rural tourism development are not defined conclusively



but some scholars have touched on them in their works (see Chapter Two). Thus, to gain benefits from tourism, rural tourism destinations have to create the prerequisites for its development, which in the most basic form include the existence of accommodation, transportation, information, management, hospitality, and other services. As seen, these prerequisites require financial resources and investment, which is limited in developing countries and particularly in rural areas.

Developing countries, despite their geographical location and tourism potential, face similar challenges regarding rural problems (UNWTO, 2017). These include undeveloped infrastructure, both public and tourism infrastructure, lack of employment opportunities, high migration, lack of human capabilities, weak awareness of local and foreign businesses about the business opportunities, lack of coordination in planning and management, and other challenges within the economic characteristics. Considering this, the literature review also analyzed the role of foreign capital, particularly foreign aid and FDI in tourism and rural development in developing countries. The analysis shows that the impact of foreign aid on the growth of developing countries is however debatable and controversial. While some studies criticize foreign aid for being highly bureaucratic and having a propensity for high leakage, others suggests that with good policy and proper distribution its effect on development is positive, in general. Similarly, review has revealed that FDI is more reliable for tourism development in development countries. This is supported by the fact that it brings capital, human and technological resources to destinations. Moreover, compared to foreign aid providers, FDI providers have better knowledge and experience, and more importantly better access to the market as a result.

The analysis of the empirical data from the rural areas of Tajikistan shows that the country faces similar challenges, and that lack of funding is one of the foremost

constraints in rural tourism development. Moreover, analysis of the source of investment in tourism facilities show that FDI is not mentioned as a source of tourism development. Thus, rural tourism in the early stages does not attract FDI. The main sources of tourism development defined in this study are public and private investors and foreign aid. Rural tourism is mainly based on small and medium businesses in this situation and is built up on local resources in rural areas of countries like Tajikistan. In terms of theory this can be explained by Butler's (1980) "tourism area life cycle" model, which states that tourism destinations in the initial stages of development attract small and medium entrepreneurs. In accordance with Butler's model, tourism in the rural regions of Tajikistan is in the second stage of the "life cycle", which is the "involvement" stage where the number of tourists increases and additional demand will lead to entrepreneurship development that will further develop the environment for tourism in the destination and contribute to living standards improvement. The rural areas of Tajikistan are currently in the stage of formation of the prerequisites for tourism development and to benefit from the tourism industry more resources are crucial.

### **7.2.2 The evolution and development of tourism in the rural areas of Tajikistan, (Objective Three)**

To achieve this objective the existing literature, programs, and legislation on tourism in the development of Tajikistan were reviewed and analyzed chronologically. The analysis shows that travel in the territory of the current country of Tajikistan existed from ancient times and is the prototype of the modern tourism concept in the country. The historically important Silk Road, which cross the territory of Tajikistan, clearly suggests that the purpose of tourism in previous centuries was to give a geographic and ethnographic base

to the establishment of socio-economic relations internally and externally. The basics of tourism in Tajikistan are thus closely linked to rural areas. Since most of the population still lives in rural areas and most of their historical and cultural heritages are located in rural regions, tourism development in Tajikistan can be divided into three periods: ancient times, the Soviet Union period, and the period of independence of Tajikistan post the USSR.

The existing information and historical evidence thus shows that travel through the territory of the Tajiks' ancestors was a common phenomenon and dates back to the 9-10th century at least. The evidence can be found in historians and geographers' travel notes where they describe high mountains, climate and nature, flora and fauna, population hospitality, and the cities of Tajikistan. Another record of the existence of travel/tourism in Tajikistan before the invasion by the Soviet Union are stories about "The Silk Road. Evidence of the existence of travel and tourism in ancient times can also be found in the book "The Travels of Marco Polo", the famous Venetian trader and traveler. Marco Polo traveled to Central Asia in the late 13th century and mentions the high mountains of the Pamirs, GBAO's beautiful flora and fauna, and the tradition and culture of the local people. Though the main purpose at those time was to engage in trading and find trade partners the travelers also explored tourism destinations in rural areas of the country. Similarly, famous Tajik scientists and poets traveled outside the Country and wrote notes about the cultures and living standards of other parts of the world. For instance, Nosir Khusrav (1003-1088), a famous Tajik poet, traveled for 7 years in the Middle East countries. In his book "Safarnoma" (Travel Notes) he mentions that he visited Jerusalem, Damascus, Alexandria, Thais, Cairo, Egypt, Aswan, Mecca, Medina, Hijaz and Yemen in the years 1045 to 1052. This was all before the October revolution in 1917 and the

formation of the Soviet Union and shows that tourism existed in the territory of Tajikistan as historical, cultural, and trade or business tourism.

The second period of tourism development was during the time of the Soviet Union, particularly from 1930 when sectoral organizations, as well as regulations and transport and communication systems were established. Recreational tourism, as well as culture and sport tourism were the main types during the Soviet Union period in Tajikistan. However, due to the socialism policies of the Soviet Union, tourism had a social character and was mainly managed by the central Government. Some steps were made for international tourism development, however. For example, the Department of Tourism and Excursion was reorganized as the Department for International Tourism under the Council of the Ministers of the TSSR in 1973, however the bureaucratic system of the Soviet Union was a barrier towards international tourism.

The third period of tourism development took place during independence. In 1991 the Soviet Union collapsed, and Tajikistan gained independence. The entire system that was built during the previous 6 decades was destroyed or restructured during this political and economic transformation. This period became a transitional period for the creation of the national economic system and a new stage for tourism development. The collapse of the Soviet Union destroyed the inbound tourism system and reduced domestic tourism, however at the same time obstacles to international tourism were removed, and the opportunities for this form of tourism increased significantly. Tajikistan started making its first steps towards national tourism development. However, in its early independence the country faced civil war, which lasted five years and destroyed most of the existing public and tourism infrastructure. This also affected the image of the country as an insecure tourism destination. Thus, during 1990-2000 the main efforts had to be made for

political stabilization in the country. For example, during 1990-2000 the state legislation and regulatory bases for development of tourism in the country were formulated. The main legislative and regulatory document that defined the legal, economic, social, and organizational framework of the tourism sector was formulated during this difficult political and economic time. This was known as the Law of the Republic of Tajikistan “On Tourism” and was developed and adopted in 1999.

Also, during this period, the regulation of the processes of tourism development established companies and agencies. The National Company of the Republic of Tajikistan for Tourism (Tajiktourism) was the first state agency responsible for the creation of infrastructure for tourism businesses with an international standard. Later, in 2001 the State unitary tourism enterprise “Saiyoh” was established. In 2001 the development and implementation of state policy in the tourism sector was assigned to the Ministry of Economy and Trade by the Decree of the President of the Republic of Tajikistan. Furthermore, in 2006 the Committee on Youth Affairs, Sports and Tourism under the Government of the Republic of Tajikistan which is “the central body of executive power in the field of youth policy, sports, and tourism”, began performing the functions of developing a unified state policy and legal regulation in these fields. Thus, the formulation of tourism legislation during 1990-2000 took place in a difficult social-economic and political period. Due to the absence of a separate agency for tourism policy development, different agencies carried out state regulation and policy in the tourism sector. Nevertheless, in the first decade of independence Tajikistan laid the background for the state regulation of the tourism sector and its further development.

Starting from 2000, tourism development gained more attention from the Government of Tajikistan and was defined as a priority sector for the socio-economic

development of the country. For this sector programs and strategies in national and regional development were developed and adopted. The Committee of Tourism Development (TDC) under the Government of Tajikistan was established for the regulation of the tourism industry and programs were developed for tourism and rural development. Establishment of the TDC and implementation of strategic programs increased the number of tourist arrivals to 1.25 million in 2019. To summarize the overview of tourism development shows that until independence tourism existed in Tajikistan, but it had more of a social character and was particularly recreation and sport tourism.

Since the independence of Tajikistan tourism has received more attention as an economic contributor. The initiatives of the President of the Republic of Tajikistan, H.E. Emomali Rahmon and the formulation of government policy, especially after 2010 have been more concentrated on rural development, especially in infrastructure development and employment creation. This can be linked to Burn`s (1999) idea of “Tourism First” or “Development First”. The “Tourism First” idea suggests destinations should focus on establishing the industry, a supply-led approach to tourism development, whereas the “Development First” focus is on the achievement of national development objectives, which then will attract tourists to a destination. From the perspectives of this concept the efforts of Tajikistan can be seen as a “Tourism First” development approach for local regional development. In other words, to develop rural areas, the Government of Tajikistan created a favorable environment for tourism, which is expected to contribute to development in rural regions.

### **7.2.3 Tourism and rural development: a case study of Tajikistan (Objective Four)**

The role of tourism in rural development in general is acknowledged positively (McAreavey and McDonagh, 2010; Zhang et al, 2007; Wilson et al, 2001). There are a lot of reasons behind this, but the main reason is that it creates additional demand for goods and services in tourist destinations, where the preconditions for other economic activities are limited (Neumeier and Pollermann, 2014). The economic impact of tourism is mainly estimated based on national accounts and economic modeling (Madsen and Zhang, 2010) However, it is still difficult to assess the economic impact of tourism in rural areas, especially in developing countries where the tourism statistics are undeveloped. Thus, our study applies a special questionnaire which defines the impact of tourism in rural development based on a “simple supply or sector approach” and the requirements of tourism development. This research has revealed that in the rural areas of Tajikistan the prerequisites for tourism development are still being created. The results of the survey revealed that currently in the local regions of Tajikistan more than 2,000 facilities are operating in the tourism sector. Particularly, 242 accommodation facilities, 806 food and beverage facilities, 37 tourism information centers, 15 tour base and camping sites, 66 souvenir shops, and 152 natural and human made prerequisites (other tourism sites, parks, and orchards). Also, during 2017-2021 1524 local roads and 420 bridges were constructed or/and renovated to improve local infrastructure.

Tourism development activities got a new impetus after the establishment of the CTD in 2017 and initiatives of the President of the Republic of Tajikistan toward tourism and rural development. Tourism attracting investment and funding to rural areas. The results of the study show that in the last five years some 6 billion Somoni was invested in

the tourism industry in the rural areas of Tajikistan. Though in local infrastructure development most of the funding comes from the public sector, in tourism infrastructure development 90% of the investment is related to the private sector. The analysis shows that during 2017-2021 the economy of Tajikistan attracted USD 1.5 billion. However, in tourism investment in rural areas FDI is not cited as a source of investment. This, on one hand, shows that tourism in Tajikistan is in its early stages of development, but on the other hand it indicates the lack of awareness of foreign business of the business opportunities in the tourism sector of Tajikistan.

This study finds that 11% of the investment in this period has come from the foreign aid. Nevertheless, tourism contributes to rural development, particularly to employment creation and entrepreneurship development. This study reveals that tourism provides an estimated 16.5 thousand jobs in the local regions of Tajikistan. The jobs have been mainly created in the accommodation, food and beverage, and transport sectors, and account for 75% of the tourism related jobs. However, analysis also shows that more than 70% of the jobs in tourism sector are seasonal. Moreover, similar to other countries, as a result of Covid-19 and restrictions on the number of tourists to local regions, tourists have declined from 307.1 thousand in 2019 to 84 thousand in 2021 and 90% of the industry has temporarily suspended their businesses and sent their employees on unpaid vacations. Tourism in Tajikistan is still in its early stages of development and these challenges should be considered by local government for the industry to benefit.



#### **7.2.4 Potentials and challenges of rural tourism development in Tajikistan (Objective Five)**

Analysis of the potentials and challenges of tourism development shows that Tajikistan has real potential for rural tourism development. Particularly, its natural beauty and historical sites, which are known worldwide, are an important development of ecotourism, nature-based tourism, hunting tourism, trekking, cultural and historical tourism and community-based tourism. Analysis of the tourism development strategies and programs shows that tourism is identified as a national development priority and government agencies actively participate in its implementation. However, the study reveals that development programs and strategies do not define the potentials and challenges of the tourism sector deeply, and the measures and policy have the character of umbrella statements, as there is no detailed analysis in them. The most critical challenges that face the tourism sector in the current stage, particularly in local regions are inadequate infrastructure, lack of funding and investment, an undeveloped private sector and entrepreneurship, the absence of tourist destination management organizations, as well as poor marketing activities, and a lack of professional human resources in all tourism industry niches.

The experience of the developed countries in this regard shows that a tourism destination should first define the potentials and challenges of the industry for its sustainable development (Lane, 1994; Gannon, 1994; Archer, 1972). The potential and challenges of tourism in the rural areas of Tajikistan was examined based on a SWOT analysis, which is well known as a tool for strategic planning among the scholars and policy makers. The analysis shows that in the years of independence of Tajikistan there has been technical support and assistance from a number of international organization

and development partners of Tajikistan. While much of this assistance has benefited the tourism sector, the implementation of measures in isolation of an overall strategic plan for tourism has generated limited results and does not match the bigger goals. The present research is a pioneer study in Tajikistan that identifies the potentials and challenges of the tourism sector empirically and presents information on the tourism sector in its current form. In addition, it highlights and plots a frame for strategic planning that can optimize the sector's contribution to the local region's economy. It is necessary to mention that the results of this SWOT analysis have been adopted in the tourism development program as a necessary measure for formulation of sustainable development, which also supports the validity of the findings and their practical implication.

### **7.3 Conclusions**

The main aim of this research was to identify the role of tourism in rural development in Tajikistan as a case study to throw light on the situation of tourism in developing countries. For this, six individual objectives were developed as discussed in previous sections. To identify the theoretical and conceptual bases for this study, as well as to identify the prerequisites for tourism development in rural areas a comprehensive literature review was conducted. Though the results of the literature review in determining of the role of tourism in developing countries are debatable and controversial, in the general literature it is evaluated positively. However, the literature also reveals that the economic impact of tourism is mainly estimated based on macroeconomic data and econometric modeling, which are not available in many developing countries. And those that are available are based on local or rural data that are poorly collected and might overestimate tourism's impact in rural areas. They certainly do not involve extensive qualitative assessment. To

rectify this situation this study applied a case study methodology with a combination of qualitative and quantitative approaches. Finally, considering the efforts of the Government of Tajikistan towards tourism and rural development and the steady progress in the tourism sector, the area for this research was the rural regions of Tajikistan.

First, to develop a full picture of the current situation in tourism sector an overview of tourism development in Tajikistan has been completed. This overview shows that tourism in Tajikistan has had a rather challenging path that has constrained its development. Though travel through the territory of Tajikistan has existed from ancient times, the elements of tourism in rural areas, especially roads, bridges, transportation, and maps of the local region only emerged during the Soviet Union period, particularly from the 1930s. Tajikistan became a famous tourism destination for sport tourism, particularly in the Pamir Mountains in the East and the Fann mountains in the North that were well known among trackers and climbers. However, tourism was in isolation due to the political regime of the Soviet Union. The collapse of the Soviet Union removed the barriers to international tourism development but civil war in Tajikistan during the early independence years led to a dramatic fall in number of arrivals again. After the political stability was ensured in the country tourism industry has been recovered. The number of arrivals for the first time in the history of Tajikistan passed 1 million in the pre Covid-19 period but again experienced a severe decline as a result of pandemic and travel restrictions post 2019. However, regardless of the mentioned constraints Tajikistan has made steady progress in the tourism sector. The analysis shows that the number of tourist arrivals has increased by three times in the last 5 years and the share of tourism in GDP reached around 6 percent in 2019.

Tourism is contributing to rural development in Tajikistan. The results of the survey show that the tourism sector attracted more than 6 billion Somoni (approximately USD 600 million) to rural areas during the last five years and led to the construction and renovation of tourism and local infrastructure in rural areas. The infrastructure created by tourism in rural areas particularly, roads, transportation, water and electricity and others also benefit local people. Most of the funding and investment comes from the national and local budgets. Analysis of the source of funding shows that nearly 60% of funding comes from the public sector, a bit more than 30% from the private sector and around 10% from foreign aid. While most of the local infrastructure has been funded by public investment and foreign aid, more than 90% of the tourism infrastructure has been created by private investment. This clearly shows that tourism can attract private investment if the policy is designed well.

The results of this research show that FDI is not defined among the sources of funding in the tourism industry in the rural areas of Tajikistan. This might be due to the fact that tourism is still in the early stages of development and foreign businesses are not aware of the opportunities in rural areas of the country. Nevertheless, tourism has contributed to entrepreneurship development in rural areas. For instance, the number of travel companies in the last five years has increased from 89 to 237, more than half of which are located in rural areas. Moreover, the number of hotels, guest houses, camping areas and tour bases increased significantly, which shows the role of tourism in local infrastructure development.

The lack of employment opportunities is one of the main challenges in the rural areas of developing countries. The results of this study show that tourism has contributed to creation of new jobs in rural areas. Based on the results of the study in the last five

years tourism created more than 16.5 thousand jobs in rural areas. While the number is not so big in the regional context it is a significant share. The jobs are mainly created in the accommodation, food and beverage facilities and transport sectors, which account for more than 70% of the total jobs in tourism. This is a clear demonstration of economic expansion in local regions and diversification of the rural economy because most of the employed people transferred from the agriculture sector. However, tourism in the rural areas is seasonal and consequently tourism employees are hired only during a specific part of the year, which starts in early spring and finishes at the end of Autumn. Moreover, as a result of the Covid-19 pandemic some 70% of the businesses in the tourism industry temporarily suspended their activities. This has negatively affected the number of jobs and the income of the tourism sector in the local region. According to the results of the survey currently most of the tourism employees are on unpaid vacations.

Tourism is also contributing to preservation of the historical and cultural heritage in rural areas. This study shows that USD 30 million dollars has been allocated to this based on the World Bank's Rural Economy Development Project for the preservation, rehabilitation, and commercialization of a number of key historical and cultural sites in the local regions (Khatlon and GBAO) of Tajikistan. This project also supports local communities in upgrading cultural centers and museums, and organization of the festivals and other traditional events through small grants.

This study thus demonstrates that for rural development there is a need to adopt good policy for tourism development for the sector to contribute to rural development. Though tourism in Tajikistan is in the early stages of development, it is contributing to rural development, especially in the improvement of local infrastructure, employment creation, and the creation of additional sources of income for local people. The empirical

evidence obtained in this study clearly indicates that tourism might play an important role in rural development in developing countries if development programs and policy are designed properly and remove the existing challenges and constraints in rural areas. However, the results of the SWOT analysis show that there some challenges that require more attention from local government to increase the contribution of the industry to the rural areas. Particularly, the lack of human capacity in the local region, the weak tourism infrastructure, the weak awareness of local and foreign business of business opportunities, centralized planning for rural tourism development, weak community involvement, and the seasonality of most of the tourism facilities. Considering the fact that problems of rural areas in developing countries are more related to the lack of funding and investment, introducing tax and customs preferences is a good instrument for the attraction of the private investment and rural infrastructure development.

It is believed that the empirical evidence presented in this research will serve as a supplement to existing knowledge of rural development approaches through tourism and is significant for developing countries, most of whom have similar social economic issues in their rural areas.

## **7.4 The implications of the study**

### **7.4.1 Theoretical implications**

This research is a significant addition to the literature on rural development through tourism in developing countries. It achieves this through the use both quantitative and qualitative data from Tajikistan to reveal the impact of tourism in rural development and its potential and challenges relating to rural areas. Considering the evidence revealed in this study, the findings contribute to the existing theories, concepts, and knowledge in the

following ways. First, the findings of the study extend the simple supply and sectoral approach proposed by Smith, 1994 and Madsen and Zhang (2010) to the use of micro-data and validates its applicability in developing countries with limited data gathering capacity. Second it supports Burns' (1999) "Tourism First" or "Development First" concept in which "Tourism First" suggests that tourism in developing countries could be based on a supply-led approach to establish the prerequisites for future tourism development. The findings of this research show that in Tajikistan tourism development is indeed based on the Burns "Tourism First" idea and its contribution to rural development. Third, this study makes an important contribution to the existing academic debates on the role of tourism in attracting foreign investment to rural areas in developing countries. The results of the study indicate that foreign investment does not flow to the rural tourism industry in the early stages. This is because tourists are currently mainly backpackers, who do not want to spend more money visit country. This is also in line with Butler's (1980) "tourism area life cycle" model, which states that tourist destinations in the initial stages attract only small numbers of tourists with modest spending capacity. Finally, another contribution of this study is that it empirically explores and documents new data and information about the emerging tourism destinations in Central Asia that are developing in a sustainable way. This is one of the few systematic research projects on the impact of tourism in the social economic development of rural areas in Tajikistan. Thus, the information and empirical data gathered and analyzed in this research will serve as a valuable source for future studies on tourism and rural development in developing countries like Tajikistan.

#### **7.4.2 Practical implications**

This study employs empirical case study data to define the role of tourism in rural development in Tajikistan. It also identifies the potentials and challenges for this development. Further, it tracks the national and sectoral development strategies and the promotion of national development goals in Tajikistan. The results of the study indicate that tourism is contributing to the development of rural Tajikistan but considering the tourism potential of the country its share is currently not significant. Moreover, this study analyzed and identified the challenges that hinder the arrival of more tourists in rural areas. These include weak tourism and public infrastructure, limited funding and investment, lack of professional human resources and management skills, and a weak awareness of local and foreign business about the tourism opportunities. Also, as we have seen, this study accords with Butler's (1980) "tourism area life cycle" model, which defines the stages of tourism development and associates increases in the number of tourists with social economic expansion in tourist destinations. This is very important for policy makers in the rural and tourism planning and development fields.

This research proposes policy recommendations for the improvement of tourism planning techniques and for increases in its social economic contribution to rural areas. It is necessary to mention that some of the findings of the present study are being considered in the Tourism Development Program of Tajikistan by the Committee of Tourism Development under the Government of the Republic of Tajikistan as valid recommendations for better planning and policy adoption in Tajikistan. See Appendix 3. These recommendations could also be used for rural development planning by local authorities and in higher educational institutions in disciplines related to the social



economic development issues of rural areas. As the evidence revealed by this research is based on empirical data about perspectives, it has high practical application value in the development of rural development knowledge through tourism in Tajikistan and other developing countries.

## **7.5 Recommendations**

This section provides policy recommendations for tourism and rural development in Tajikistan. The results of the analysis on the potentials and challenges of rural tourism in Tajikistan show that there is real potential for tourism development in rural regions but to obtain benefit from the sector there are also issues to be addressed. The main challenges defined in this study are inadequate infrastructure (both public and tourism infrastructure), an undeveloped private sector and entrepreneurship, the absence of tourist destination management organizations as well as marketing activities, and a lack of professional human resources. Thus, the following recommendations are defined as prerequisites of rural tourism development and are proposed to address the challenges for tourism and rural development in Tajikistan, the implication of which has wider characteristics for other developing countries.

### **7.5.1 Development of tourism infrastructure**

Regardless of the achieved results the outcomes of the SWOT analysis show that inadequate tourism infrastructure is one of the foremost weaknesses of the tourism sector in the rural areas of Tajikistan. Especially, local roads, transport and communication system, water and sewerage system are in need of improvement. Also, an online booking system is not developed in the country regions; except for a few brand hotels, tourism

accommodation facilities in local regions do not have an online booking system. Moreover, there is no adequate infrastructure for non-cash payments. Although, the number of ATMs increased from 762 in 2015 to 1,249 in 2020 (NBT, 2020) most of them are inside the banks or located far from the main roads, which causes inconvenience for tourists. Other challenges with ATMs are that they are oriented mainly for payments by national cards and the majority do not accept foreign bank cards (Bleuer, 2020).

### **7.5.2 Development of Public–Private-Partnerships**

Public–private partnerships (PPPs) may be an effective tool for the delivery of the missing infrastructure and infrastructure-based services that this study has revealed. PPPs have been especially successful in power, water and wastewater, and transport sectors in both developed and developing countries. They have allowed developing countries to build and maintain infrastructure that would otherwise not have been affordable (UNWTO, 2015). However, relatively high user fees in many countries have fueled concerns that they exclude large groups of the population (especially those with low incomes) from accessing the resulting services. PPPs can potentially become an important source of private investment, particularly in high-cost infrastructure projects, so future studies should consider this approach.

### **7.5.3 Participatory Planning**

A well-designed and participatory planned tourism policy is a fundamental tool to manage and develop the tourism in rural areas. Participatory planning and involvement of the local people on planning and implementation of the tourism development programs provides directives to achieve objectives agreed by stakeholders for future tourism

development and growth (Cáceres-Feria et al, 2021). Its framework will support the achievements of the sustainable policy objectives secured through a series of commonly designed planned actions. The main source of finance for the tourism development programs in Tajikistan is defined as the national budget, which is completely inadequate for the achievement of the bigger goals. Participatory planning could also attract private or local investment and increase funding of these programs and plans. It should be noted that participatory planning will also avoid conflict among the local residents and ensure their sustainable development (Wilson et al, 2001; Ken, 2001).

#### **7.5.4 Improving tourism statistics**

The success of tourism planning and its economic impact assessment heavily depends on an accurate statistical database that would allow see the trends and make accurate decisions for future projections of the industry. This overview of tourism in Tajikistan has revealed that tourism statistics are not developed in the country. Though general data on tourism arrivals do exist they are very fragmented and do not provide information that could be used for the research, planning and development of the tourism sector. Thus development of tourism statistics, particularly tourist expenditure, by expenditure category, hotel occupancy and visitor data, mode of transport by arrival, attractions visited, activities undertaken, and visitors' satisfaction are crucial for accurate policy formulation. Fortunately, this research shows that currently the CTD in cooperation with the Asian Development Bank is implementing a Tourism development project that is expected to conduct some economic surveys and develop the first experimental Tourism Satellite Account for Tajikistan.

### **7.5.5 Establishment of Destination management organizations**

Tourism in rural areas of Tajikistan is growing without a common vision. There is no comprehensive program that can coordinate tourism development in rural areas. Rural areas develop tourism infrastructure based on their own desires and often without a clear understanding of the tourism market. Moreover, in Tajikistan, and possibly stemming from its Soviet heritage, the administration of the sector has taken a more dominant role than its marketing and promotion. This has led to the widely held view, in the private sector, that the CTD is more an administrative than a promotional body.

Destination Management Organizations (DMOs) are defined as crucial factors for rural tourism development, since they act as a coordinating organization between rural tourism stakeholders and national and international stakeholders, controlling the quality of good and services (Oriade and Robinson, 2017). The objectives of a DMO include promoting tourism opportunities in the country and abroad, attracting tourists, identifying, and eliminating barriers and problems in the sector, human capacity development, and attracting investments into tourism infrastructure development (UNWTO, 2017). Again, an effective DMO system, like a PPP-based program, could assist in the development and marketing of tourism products, increasing investment, and research and strategic planning.

### **7.5.6 Development of human resources**

The tourism industry is often referred to as hospitality, where tourists are the guests and tourism providers are the host. The interactions between tourists and industry staff is a fundamental determinant of the success or failure of a destination. Tajikistan is fortunate in that it has a warm welcoming and hospitable population. The results of this study also define hospitality as a strength of the tourism sector. The provision of trained staff across

the sector is an essential component of tourism development. Human resources in the local region should thus be capable of meeting the needs of the sector and the evolving demands of tourists. However, in the rural areas interactions with tourists is still based on traditional hospitality and does not match international or even national standards. The lack of foreign language knowledge is an essential issue in all nodes of the sector, particularly accommodation, food and beverage, transport, guides services and souvenir shops, for example. Therefore, without the provision of comprehensive human resource development programs that include training throughout the sector, international standards of service and even national provision will not be achieved. A capacity building training program in rural areas should include the following areas:

- Preparation of guides / mountain guides, especially on languages, history of the destinations, safety measures, and protocols;
- Accommodation management, local English and Russian courses, compliance with sanitation and hygiene standards, training in ethical and communication protocols, food preparation, and training on the provision of additional services, such as master classes in handicrafts, cooking, and similar activities;
- Training for craft groups and souvenir shops, where there is a need for training on product development, product quality improvement, pricing, and tourist storytelling;
- Training programs for tourism stakeholders and local people for Community-based tourism development.

### **7.5.7 Development of community-based tourism**

Community-based tourism has been used as a strategy for rural development to support local plans and programs for socioeconomic development (Robinson, 2012). The main beneficiaries of CBT are community people because it acts as systematic mechanism for the coordination of all stakeholders and resource distribution for goals and objectives achievement, especially in developing countries (Khartishvili et al., 2019). Thus, development of CBT can be a good strategy for the involvement of local people in the socioeconomic development of rural areas.

### **7.6 Limitations and future studies**

This section provides information on potential bias and describes the limitations of this research. The most important limitation of this research is the that it uses a single country case study, and this country is in the early stages of tourism development. Making statements about the role of tourism in rural development based on a single country case study might introduce bias in its wider implication. Future studies should include multiple case studies with wider samples to compare with the finding of this research and reduce the bias in its generalization.

The data might also be biased. This study was conducted during the Covid-19 pandemic, which forced a lot of restrictions on the tourism sector. Therefore, data collection for this research was outsourced. This also may introduce bias since the researcher could not meet with respondents and tourism stakeholders in the rural areas and therefore does not know how accurate the data are. Though the personal communication is held to clarify some aspects of the collected data and information. Also, though this research uses quantitative data these were mainly derived from local

government authorities, not from nationally verified sources. Furthermore, this research suggest that the created public infrastructure is an effect of tourism, but the infrastructure could also have been built for the purpose of rural development as a whole. Thus, the above-mentioned factors might affect research accuracy and reliability and limit the coverage of the findings.

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in Russian

## APPENDIX 1

Please assess the following factors affecting tourism in Tajikistan

| #   | Strengths  | Strongly disagree<br>1     | Disagree<br>2              | Neutral<br>3               | Agree<br>4                 | Strongly agree<br>5        |
|-----|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 1.  | Natural beauty   | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 2.  | Ancient and historical sites   | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 3.  | Cultural richness  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 4.  | Hospitable and friendly people   | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 5.  | Government positive about tourism development                            | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 6.  | Safety and security  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 7.  | Low labor cost   | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 8.  | Tourism products and services not expensive                              | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 9.  | Relatively unexplored sites  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 10. | Simplified visa procedure for entry of tourists                          | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 11. | Existence of international airports                                      | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 12. | Tax and custom preferences for tourism businesses                        | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 13. | Existence of national regulatory organization (CTD) and legislative base | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 14. | Existence of potentials for expanding of year-round tourism              | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 15. | Potential for CA regional tourism  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |



|     |  |                            |                            |                            |                            |                            |
|-----|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 16. | Existence of tourist and recreational zones            | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 17. | Existence of health and recreational resources         | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 18. | Existence of folkcrafts                                | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 19. | Existence of educational institutions teaching tourism | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 20. | Financial support (WB, ADB and others)                 | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 21. | Others   | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |

| #  | Weaknesses                                       | Strongly disagree          | Disagree                   | Neutral                    | Agree                      | Strongly agree             |
|----|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|    |  | 1                          | 2                          | 3                          | 4                          | 5                          |
| 1. | Geography and Isolation                          | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 2. | Weak public infrastructure:                      | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 3. | Weak tourism infrastructure:                     | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 4. | Poor tourism services:                           | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 5. | Lack of professional human resources             | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 6. | Undeveloped transport and communication services | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 7. | Weak internet connection within the country      | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 8. | Weak tourist information centers                 | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |

|     |   |                            |                            |                            |                            |                            |
|-----|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 9.  | Lack of marketing and networking skills                             | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 10. | Not adequate financial infrastructure for non-cash payments         | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 11. | Weak marketing and promotional activities                           | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 12. | Undeveloped private sector and entrepreneurship                     | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 13. | Not commercialized tourism products                                 | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 14. | A single season-oriented tourism (summer)                           | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 15. | Limited funding and investment, especially from the national budget | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 16. | Corruption  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 17. | Absence of tourist destination management capacity                  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 18. | Unfavorable business environment                                    | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 19. | Restrictions on internal movement                                   | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 20. | Weak developed regional connectivity                                | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 21. | Others  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |

| #   | Opportunities                                    | Strongly disagree<br>1     | Disagree<br>2              | Neutral<br>3               | Agree<br>4                 | Strongly agree<br>5        |
|-----|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 1.  | Unexplored touristic sites                       | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 2.  | Young workforce                                  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 3.  | Good relations with neighboring countries        | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 4.  | Potential for new regional tourism routes TAP    | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 5.  | Government willingness towards reforms           | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 6.  | Attraction of investment                         | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 7.  | Potential for job creation                       | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 8.  | Undiscovered tourism potentials in local regions | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 9.  | Remittances from labor migration                 | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 10. | Four season tourism opportunities                | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 11. | Construction of HPP Rogun                        | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 12. | Trekking   | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 13. | Rural tourism                                    | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 14. | Religious tourism:                               | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 15. | Nature based tourism:                            | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 16. | Agritourism                                      | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 17. | Hunting tourism                                  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 18. | Ecotourism                                       | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 19. | Recreational tourism                             | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 20. | Science tourism                                  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 21. | Others   |                            |                            |                            |                            |                            |

| #   | Threats  | Strongly disagree<br>1     | Disagree<br>2              | Neutral<br>3               | Agree<br>4                 | Strongly agree<br>5        |
|-----|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 1.  | Border with Afghanistan  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 2.  | Snowfall and flooding  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 3.  | Pandemic   | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 4.  | Terroristic actions  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 5.  | Existence of competitors in the region (Uzbekistan and Kyrgyzstan) | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 6.  | Migration of professional labor force                              | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 7.  | High gasoline prices   | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 8.  | Dependency on tourism  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 9.  | Over tourism   | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 10. | Pollution  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 11. | Climate change   | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 12. | Pressure on local resources  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 13. | Cultural effects   | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 14. | Increase in commodity price  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 15. | Prostitutions  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 16. | Deterioration of relation with neighboring countries               | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 17. | Leakages   | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 18. | Community conflicts  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 19. | Environmental degradation  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 20. | Deterioration of hygiene situation                                 | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 21. | Others   | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |

## APPENDIX 2

Dear Respondent

My name is Yusufzoda Farrukh - a PhD student at the Ritsumeikan Asia Pacific University, Japan. I am researching the role of tourism in rural development in developing countries concentrating on the situation in Tajikistan. For the study I need to collect data about the social economic impact of tourism in rural areas. Tourism statistics (Tourism Satellite Accounts of the national accounts) are however underdeveloped in Tajikistan, so I decided to use this questionnaire to obtain the needed data.

The rationale for selecting Tajikistan is that the Government of Tajikistan is making efforts to develop rural areas and tourism is defined as a tool for this. Therefore, the main purpose of this survey is to determine the social and economic influence of the tourism development policy in the rural areas of Tajikistan. The collected data is going to be used only for the research purpose and does not pose any risk of harm to respondents. The personal information of respondents (position, name, age and sex) will not be shared with anyone and not used for any purpose other than this research.

Best regards,

Yusufzoda Farrukh

## Questionnaire

### 1. Respondents' information

1. Name\*:.....

2. Position\*: .....

3. Sex: .....

4. Contacts number\*:..... e-mail\*: .....

5. Region, District, Town .....

\*Optional

### 2. Information about tourism facilities

| <b>№</b>  | <b>List of tourism infrastructure</b> | <b>Year of establishment</b> | <b>Type of ownership</b><br><i>(Public, Private, community or other)</i> | <b>Source of finance</b><br><i>(Public, Private, foreign aid, FDI, Community)</i> | <b>Amount of fund</b><br><i>(Somon/US dollars)</i> | <b>Number of created jobs</b><br><i>(from them women)</i> |
|---|---------------------------------------|------------------------------|--|---|--|---|
| <b>1. Hotel (Hostel, Motel, guest house, other)</b> |                                       |                              |  |   |  |   |
| 1.  |                                       |                              |  |   |  |   |
| 2.  |                                       |                              |  |   |  |   |
| 3.  |                                       |                              |  |   |  |   |
| 4.  |                                       |                              |  |   |  |   |
| N   |                                       |                              |  |   |  |   |
| <b>2. Sanatoria</b>                                 |                                       |                              |  |   |  |   |
| 1.  |                                       |                              |  |   |  |   |
| 2.  |                                       |                              |  |   |  |   |
| 3.  |                                       |                              |  |   |  |   |
| 4.  |                                       |                              |  |   |  |   |

|                         |  |  |  |  |  |  |
|-------------------------|--|--|--|--|--|--|
| N                       |  |  |  |  |  |  |
| <b>3. Tour base</b>     |  |  |  |  |  |  |
| 21.                     |  |  |  |  |  |  |
| 22.                     |  |  |  |  |  |  |
| 23.                     |  |  |  |  |  |  |
| 24.                     |  |  |  |  |  |  |
| N                       |  |  |  |  |  |  |
| <b>4. Pension house</b> |  |  |  |  |  |  |
| 1.                      |  |  |  |  |  |  |
| 2.                      |  |  |  |  |  |  |
| 3.                      |  |  |  |  |  |  |
| 4.                      |  |  |  |  |  |  |
| N                       |  |  |  |  |  |  |
| <b>5. Tourist sites</b> |  |  |  |  |  |  |
| 1.                      |  |  |  |  |  |  |
| 2.                      |  |  |  |  |  |  |
| 3.                      |  |  |  |  |  |  |
| N                       |  |  |  |  |  |  |
| <b>6. Other</b>         |  |  |  |  |  |  |
| 1.                      |  |  |  |  |  |  |
| 2.                      |  |  |  |  |  |  |
| 3.                      |  |  |  |  |  |  |

### 3. Tourism and local infrastructure

| №  | List of tourism infrastructure | Year of establishment | Type of ownership<br>(Public, Private, community or other) | Source of finance<br>(Public, Private, Foreign aid, FDI, Community) | Amount of fund<br>(Somoni/US dollars) | Number of created jobs<br>(from them women) |
|--|--------------------------------|-----------------------|--|---|---------------------------------------|---|
| <b>1. Transport and communication (roads, bridges and other)</b> |                                |                       |  |   |                                       |   |
| 1.   |                                |                       |  |   |                                       |   |
| 2.   |                                |                       |  |   |                                       |   |
| 3.   |                                |                       |  |   |                                       |   |
| N  |                                |                       |  |   |                                       |   |
| <b>2. Water supply and sewerage</b>                              |                                |                       |  |   |                                       |   |
| 1.   |                                |                       |  |   |                                       |   |
| 2.   |                                |                       |  |   |                                       |   |
| 3.   |                                |                       |  |   |                                       |   |
| N  |                                |                       |  |   |                                       |   |
|  |                                |                       |  |   |                                       |   |
|  |                                |                       |  |   |                                       |   |

|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
| <b>3. Tourist information center</b>   |  |  |  |  |  |  |
| 1.                                     |  |  |  |  |  |  |
| 2.                                     |  |  |  |  |  |  |
| 3.                                     |  |  |  |  |  |  |
| N                                      |  |  |  |  |  |  |
| <b>4. Parks and orchards</b>           |  |  |  |  |  |  |
| 1.                                     |  |  |  |  |  |  |
| 2.                                     |  |  |  |  |  |  |
| 3.                                     |  |  |  |  |  |  |
| N                                      |  |  |  |  |  |  |
| <b>5. Restaurants and dining rooms</b> |  |  |  |  |  |  |
| 1.                                     |  |  |  |  |  |  |
| 2.                                     |  |  |  |  |  |  |
| 3.                                     |  |  |  |  |  |  |



|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
| N  |  |  |  |  |  |  |
| <b>6. Souvenir shops</b>                               |  |  |  |  |  |  |
| 1.   |  |  |  |  |  |  |
| 2.   |  |  |  |  |  |  |
| 3.   |  |  |  |  |  |  |
| N  |  |  |  |  |  |  |
| <b>7. Other infrastructure for tourism development</b> |  |  |  |  |  |  |
| 1.   |  |  |  |  |  |  |
| 2.   |  |  |  |  |  |  |
| 3.   |  |  |  |  |  |  |

**4. Do the social and economic development programs of your district/town include tourism development measures?**

yes     no     I don't know

If yes, please specify from which source of finance it is envisaged?

1.  National budget
2.  Local budget
3.  Private sector
4.  Development partners (foreign aid)
5.  Foreign direct investment

**5. Did you or representatives of your district/town municipality participate in elaboration of tourism development program or plan?**

yes     no     I don't know

If yes, please specify

- 1. ....  
.....
- 2. ....  
.....
- 3. ....  
.....  
.....

**6. Is the challenges of tourism development of your districts/town considered in the National tourism development strategies and programs?**

yes    no    I don't know

If yes, please specify which strategy or program

- 1.  Tourism development strategy of the Republic of Tajikistan for the period until 2030
- 2.  Tourism development program for the 2018-2020
- 3.  Action plan for implementation of Tourism development strategy of the Republic of Tajikistan for the period until 2030 for the 2019-2022
- 4.  Action plan dedicated to the “Years of Rural, Tourism and Folk crafts development”
- 5.  Other, please specify.....  
.....

**7. Does your district/town have tourism destination management organization (DMO)?**

yes    no    I don't know

If yes, please specify from which organization:

1.  Tourism development Committee under the Government of the Republic of Tajikistan
2.  Local municipality
3.  Private sector
4.  NGO
5.  Other,                    please                    specify.....  
.....  
.....

**8. How many enterprises in your district/town are operating in the tourism sector? Please specify whether they are run by men or women**

1. ....  
.....
2. ....  
.....
3. ....  
.....  
.....  
.....

**9. Do the enterprises in your district/town know about the tax and custom privileges which Government provide to tourism sector?**

yes    no    I don't know

**10. How does the tax and custom previlages has impacted entrepreneurship?**

1. Number of enterprises increased from \_\_\_\_\_ in 2016 to \_\_\_\_\_ in 2020
2. Number of enterprises stayed the same during 2016 to 2020
3. Number of enterprises decreased from \_\_\_\_\_ in 2016 to \_\_\_\_\_ in 2020

If there were no results what were the challenges?

1. ....  
.....
2. ....  
.....
3. ....  
.....

**11. What is the share of tourism in employment of your district/town? And what was the trend of this variable in the last five years (2016-2020)**

Please notify in a few sentences

1. ....  
.....
2. ....  
.....
3. ....  
.....  
.....

**12. How do you evaluate the share of tourism industry in the total output (economy) of your district/town?**

1. ....  
.....
2. ....  
.....
3. ....  
.....

**13. How has Covid-19 affected tourism sector in your district/town?**

Please notify in a few sentences the effect of Covid-19 to the tourism sector in your area.

1. ....  
.....
2. ....  
.....
3. ....  
.....

**14. Are there projects in your district/town in tourism sector that are funded or being funded by foreign aid or foreign direct investment?**

yes     no     I don't know

If yes, please specify (from which country/organization, how much, and for what)

1. ....  
.....
2. ....  
.....

3. ....  
.....

**15. In your opinion what are the necessary measures that should be taken for tourism development in your district/town? (Multiple choice)**

1.  Development of public infrastructure
2.  Development of tourism infrastructure
3.  Attraction of additional funding and investment
4.  Attraction of foreign aid
5.  Development of private sector and entrepreneurship
6.  Improving access to the country's local regions
7.  Establishment of tourist destination management capacity
8.  Improving marketing and networking skills of tourism stakeholders
9.  Development of professional human resources
10.  Improving culture of hospitality in local regions

**Thank you so much for your response!**

### APPENDIX 3.

КУМИТАИ РУШДИ  
САЙЁҶИИ НАЗДИ  
ҲУКУМАТИ  
ҶУМҲУРИИ ТОҶИКИСТОН



КОМИТЕТ ПО РАЗВИТИЮ  
ТУРИЗМА ПРИ  
ПРАВИТЕЛЬСТВЕ  
РЕСПУБЛИКИ ТАДЖИКИСТАН

COMMITTEE OF TOURISM DEVELOPMENT UNDER  
THE GOVERNMENT OF THE REPUBLIC OF TAJIKISTAN

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Аз «22» 04 соли 2021, № 11/3-44

Ritsumeikan Asia Pacific University

#### To whom it may concern

This is to confirm that the results of the research conducted by Yusufzoda Farrukh, a PhD student at Ritsumeikan Asia Pacific University, in late 2020 as “SWOT analysis on the potentials and challenges of tourism development in Tajikistan”, have been considered in the Tourism Development Program of the Republic of Tajikistan for 2021-2025 as valid data for planning policy and necessary measures for tourism development.

Faithfully

  
Kamoliddin Muminzod,



Vice Chairman of the Committee of Tourism Development under  
the Government of the Republic of Tajikistan