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Short communication

On the Status of Rural Tourism and Tourism Economy in Iran

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Abstract

In this paper the researchers tried to study the status of tourism and rural tourism economy in Iran the condition of entry and exit of tourists in Iran, as well as the inhibiting factors affecting their positive impacts on Iran economic status. To achieve this objective, the researchers used documentary research methods. In addition, the researchers used a field research method based on the data obtained from a questionnaire in an attempt to find the inhibiting factors affecting positive impacts of tourism and rural tourism on Iran economics. The population of this study involve in tourism and rural tourism authorities. The sample of the population consist of 119. The statistical methods used in the study include the non-parametric statistics (Kolmogrove Smirnove). Findings revealed that Iran's percent share of tourism contribution to GDP in the years 2003-2014 was very low and its changes in these years have been disproportionate. No special information and detailed statistics were presented that have helped clarified the status of rural tourism and rural tourists in Iran. The first five priorities in the field of inhibiting factors affecting positive impacts of tourism on Iran economics were lack of major plans and policies for tourism and rural tourism development, weak co-operation between the government, private sector and local people in planning, managing the tourism and rural tourism projects, frequent change in the authorities of cultural heritage, handicraft and tourism organization, lack of correct criteria for choosing managers and executive directors, and the effects of the sanctions on tourism programs. Furthermore, political factors were found to be important in regard to their effect on the situation of tourism economics in Iran.

Keywords:
Iran economics; rural tourism; tourism; tourism economy

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INTRODUCTION

Iran is ranked the 15th in the world in terms of tourism potential and its ranks the 45th-48th in terms of the number of tourists it receives. As the most densely-inhabited province in Iran, Tehran Province enjoys a unique condition for a rural tourism planning. Indeed, its large urban population provides a suitable situation to form and develop the rural tourism. Tehran with an urban population of about 12,500,000 and 1050 villages is regarded as one of the provinces that enjoy a suitable position to plan and create rural and eco- tourism. Over recent years, only a few villages of Tehran Province were selected as pilot tourism villages. However, it still lacks a compiled and sustainable plan in this field. The direct contribution of travel and tourism to total GDP was 2.3% in 2014, 2.2% in 2013, 2% in 2012 and 1.9% in 2011 and 2010. It directly supported 1.8% of total employment, whereas it supported 3.9% of total employment in the world (WTTC, 2015). As we known, the contribution of tourism to Iran's gross national income is low.

In recent years, tourism has been a valuable source of income in global trade. The remarkable and dramatic growth of tourism in the past 50 years shows the major economic and social importance of this phenomenon. Tourism can be observed as a new and creative activity for rural development. Tourism may have the following impacts on the development of rural regions:

Reviving and reorganizing local economic activities, providing extra income along with agricultural, industrial, and service sectors, assisting social, environmental and economic sustainability, raising the economic value of nutritional product quality (Hall & Page, 2002).

Increasing job opportunities and boosting employment is one of the most economic impacts of rural tourism in rural regions. Unfortunately, there are not any coherent and long-term programs in this field in Iran. In this paper, we tried to (1) show the existing situation of tourism and rural tourism in Iran and Tehran Province and (2) survey the inhibiting factors affecting this situation from the viewpoint of the authorities involved in tourism.

The economic importance of tourism to a destination is commonly underestimated and extends well beyond core hospitality and transportation sectors. Tourism economics offers a solution to destination marketing organizations (DMOs) and to industry associations that marries rigorous methodology and compelling communication to raise the profile of tourism as an economic engine (Tourism Economics, 2012). In recent years tourism, as smokeless industry, has been a rich source of income in global trade. Tourism plays an important role in GDP. Tourism development brings about prosperity and reduces poverty. Also, it has great influence on income increase, unemployment reduction and consequently, social welfare improvement. As the major impact, tourism economy entails the development of services and facilities for passengers. Restaurants and food service, accommodation and catering facilities, transportation services, camps, information services, recreational and sport facilities and shopping have the most important role in job creation. According to the World Tourism Organization, 698 million people traveled to a foreign country in 2000, spending over US$478 billion. International tourism receipts combined with passenger transport currently total more than US$575 billion - making tourism the world's number one export earner, ahead of automotive products, chemicals, petroleum, and food (Eman, 2012).

The economic impacts of tourism are divided into three parts:

Direct effects: it is related expenditure within the tourism sector, based on a list of typical tourism products drawn up by the UNWTO and the OECD.

Indirect effects: it concerns intermediate consumption for the production of goods and services in the tourism sector. These are goods and tourism services that companies purchase from their suppliers, forming the tourism supply chain. Indirect effects can be particularly important for the production of local products. So-called frontline companies take the initial purchasing decisions that determine what visitors can consume. For example, if a frontline accommodation provider decides to buy local

products wherever possible, the tourist will be the originator of the purchase and of the production of goods and services in the host country. It is therefore important to be able to encourage the tourism sector to procure locally produced goods and services in order to maximize the economic impact of tourism revenue in a country or region.

Induced effects: it concerns expenditure by employees from wages paid by companies in direct contact with tourists. Induced effects also include the consumption of companies that have benefited directly or indirectly from initial expenditure in the tourism sector. An example of such induced effects would be purchases of consumer goods such as food, clothing and electronic goods by people employed in the hotel sector. For companies, this would be purchases of capital goods or expenditure related to the reinvestment of profits (Vellas, 2011). "As the importance of tourism in economic, social, and cultural developments is widely acknowledged, governments around the world have paid particular attention to the measurement of the sector's contribution, in particular, employment and its characteristics and trends. It is found that the sectors employ a large number of female workers, workers with low education qualifications and young workers with age under 35, and offers a high proportion of temporary jobs" (Cheong, 2009).

Riley et al. (2002) argue that industries that are expanding will have a good reputation in the marketplace and hence can attract labor from other industries, especially the declining ones. If combined with low entry barriers, expanding industries would facilitate a higher degree of accessibility by workers (Riley et al., 2002). Therefore, it can be concluded that tourism with these characteristics is a powerhouse to generate employment. It has been witnessed as a major provider for jobs in the Organization for Economic Co-operation and Development (OECD) and most developing countries (Smeral, 1998).

MATERIALS AND METHODS

This research was conducted based on documentary research method as well as a quantitative method based on questionnaires and statistical analyses. We used the field research method based on the questionnaire in the presence of the questioner (face to face interview) and Likert type scale was used to rate responses to the items of questionnaire. In this questionnaire we tried to survey the inhibiting factors affecting the positive impacts of tourism and rural tourism on economic status in Iran according to the related authorities in terms of tourism and rural tourism in 10 categories including; Lack of correctness criteria for choosing managers and executive directors, frequency change of the authorities, The effects of the sanctions in tourism programs, lack of coordination between different organizations, the weak cooperation between the government, private sector and local people, low budget allocated to tourism and rural tourism after economic sanction, the weak cooperation between the government and NGOs, lack of major plans and policies related to tourism and rural tourism development, limited relationship between Iran and other countries and, reliance on oil economy.

The statistical methods of the survey are based on one group, including the authorities by face to face questionnaire. After collecting, they were edited in MS-Excel format. Then, for studying the descriptive and demographic results, descriptive statistical tests were used by one sample Kolmogorov–Smirnov.

The society, including 119 people of the authorities and managers was divided into two subdivisions:

a- The authorities that are mostly in top managerial levels depended on rural governmental affairs from different organizations such as Cultural Heritage, Handicrafts and Tourism Organization, Jihad-e-Agriculture Ministry and the relevant organizations, Welfare Organization, Rural Development and Deprived Areas Center.

b- Local managers who are responsible in different parts of governmental and nongovernmental organizations such as NGOs, rural councils, village helpers, and governmental managers in villages.

RESULTS

The role of tourism in GDP and employment in the world and in Iran

In 2013 about 10% of whole world GDP was allocated to tourism and according to World Travel and Tourism Council it will reach more than 10%, while the share of agriculture was about 6% and the share of industry was 30.7%.

Based on WTTC (2015), the share of tourism in the world GDP and whole economy employment are shown in figures 1 and 2.

As is clear in the figures 3 and 4, the total contribution of tourism to GDP and employment of Iran is lower than the world, while Iran is the 15th country in the world in terms of tourist attractions. Available data indicate that tourism can be a great source of income and employment for developing countries.

According to Figure 5, Iran's % share of tourism direct contribution to GDP was very low in the years 2005-2014 and its changes in these years have been uneven.

The position of t ourism and rural tourism in the economy of Iran

In this research, we studied GDP in the field of tourism and rural tourism, the total contribution of tourism to GDP from 2009-2014 (Table 1), and the status of the entry and exit and the number of tourists (inbound - outbound – domestic and rural tourists) in Iran and Tehran Province in 2009 -2013 (Table 2).

Based on Iran's 20-year outlook document, in 2024 we should reach 1.5% of the international market and 2% of international tourism income. It means we should gain 20 billion USD in 2024 while we had only 5.6 b USD in 2013

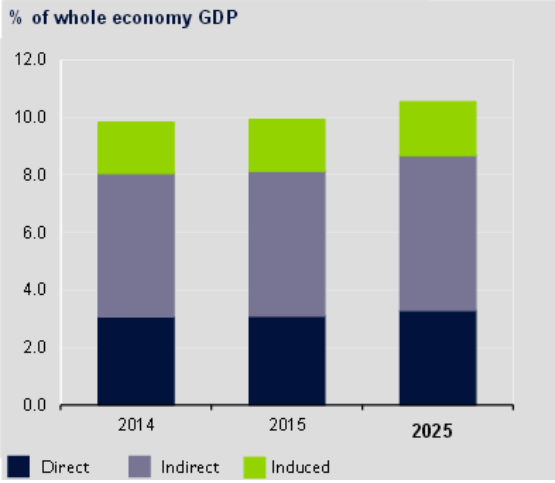

Figure 1. World: Total Contribution of Travel & Tourism to GDP (WTTC, 2015)

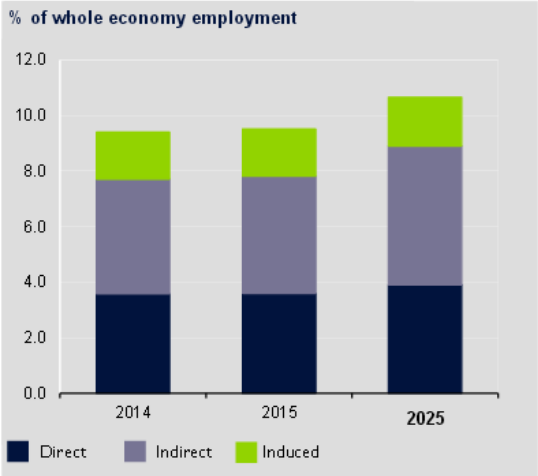

Figure 2. World: Total Contribution) of Travel & Tourism to Employment (WTTC, 2015)

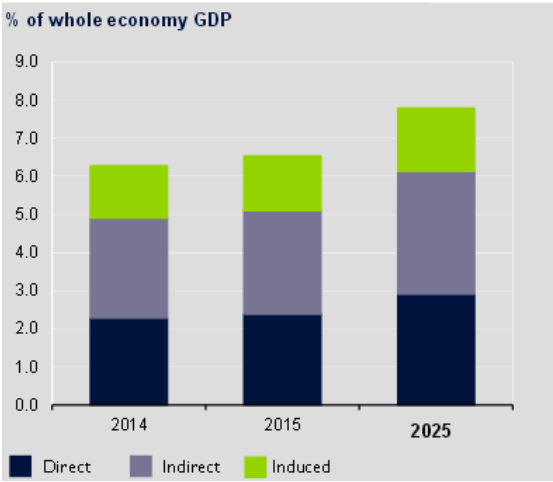

Figure 3. Iran: Total Contribution of Travel &Tourism to GDP (WTTC, 2015)

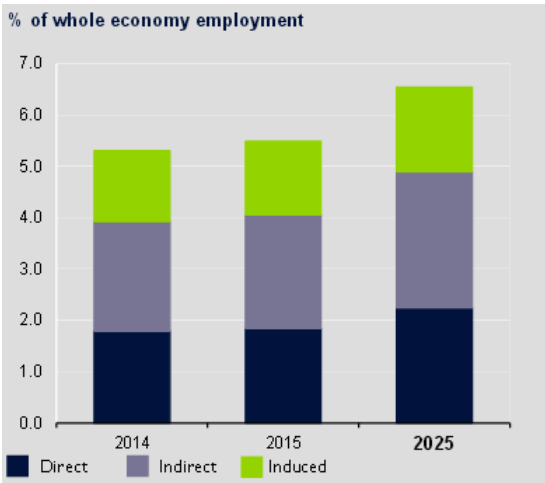

Figure 4. Iran: Total Contribution of Travel & Tourism to Employment (WTTC, 2015)

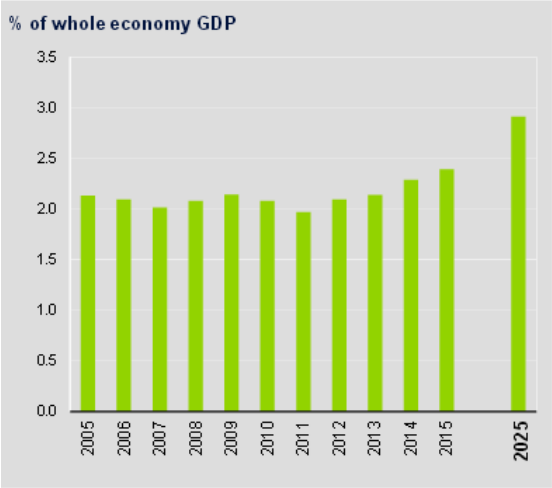

Figure 5. Iran, Travel & Tourism Direct Contribution to GDP - % share (WTTC, 2015)

(Kamali, 2014).

However, the country had a meager share of $5-6 billion of the world's tourism income in 2014 (Niayesh, 2014). Consequently, Iran shared less than 0.01 percent of world's more than $6500 billion tourism earnings in 2014. To investigate the position of tourism in the economy of Iran, we studied different sources and found results as shown in Table 1.

GDP in the field of rural tourism and its contribution to total GDP of Iran is indeterminate.

The status of the inbound, outbound, domestic, and rural tourists in Iran

According to Table 2, we searched for the number of tourists in different categories in Iran and Tehran Province.

Tehran Province is the most available region for foreign tourists. Because of its major urban population, it is considered as the most suitable province for rural tourism. According to the

Table 1
The Position of Tourism and Rural Tourism in the Economy of Iran

Indicators	Years					
	2009	2010	2011	2012	2013	2014
Iran's Total GDP (Billion USD)	362.7	422.6	528.4	502.7	368.9	415.34
GDP in the field of tourism (Billion USD)	17.8	16.5	22.2	10.0	8.1	19.7
The total contribution of tourism to GDP (%)	4.9%	3.9%	4.2%	2%	2.2%	6.3%
GDP in the field of rural tourism (Billion USD)	NA	NA	NA	NA	NA	NA
The total contribution of rural tourism to GDP (%)	NA	NA	NA	NA	NA	NA

Sources: (Trading Economics, 2015; WTTC, 2014; WTTC, 2015)

Table 2
The Status of the Inbound, Outbound, Domestic, and Rural Tourists in Iran

Indicators (Thousands)	Years				
	2009	2010	2011	2012	2013
The number of inbound tourists to Iran	2276	3121	3200	3729	4129
The number inbound tourists to Tehran Province	1820	2497	2560	2983	3303
The number of domestic tourists in the country	52857.2	51257.3	66699.8	89910.7	76632.2
The number of domestic tourists in Tehran	3993.3	3863.8	4785.7	8065.2	5008.2
The number of outbound tourists from Iran	6000	More than 6000	NA	NA	NA
The number of rural tourists in Iran	NA	NA	NA	NA	NA
The number of rural tourists in Tehran Province	NA	NA	NA	NA	NA

Sources: (Statistical Center of Iran, 2012; Yaeghoobzadeh, 2014; Alefnews, 2013)

latest official statistics, Tehran Province has had 3,300,000 of foreign tourists in 2013. Unfortunately, there are no specific statistics on the number of rural tourists in Iran and in Tehran Province.

According to the Table 2, the number of outbound tourists from Iran is larger than inbound tourists to the country. The number of outbound tourists is not available for the last three years. Undoubtedly, in recent years, the number of these tourists has been more than 6,000. This is very important because the currency takes out from the country by these tourists and there is not any balance between arrivals and departures currency and unfortunately, we lose more than we gain.

Inhibiting factors affecting positive impacts of tourism on Iran's economic status

Undoubtedly, numerous factors influence the tourism situation in Iran. In this part we tried to survey the inhibiting factors affecting the positive impacts of tourism and rural tourism on economic status in Iran, according to the related authorities in terms of tourism and rural tourism.

For this purpose, the authorities were asked about ten related factors. Based on Table 3, the first 5 priorities in this area include:

1- Lack of major plans and policies related to tourism and rural tourism development

2- The weak cooperation between the government, private sector and local people in planning and managing the tourism and rural tourism projects

3- Frequent change of the authorities of cultural heritage- handicraft and tourism organization

4- Lack of correctness criteria for choosing managers and executive directors

5- The effects of the sanctions in tourism programs

According to the priorities obtained, lack of planning and participation are the most important factors affecting positive impacts of tourism and rural tourism on Iran's economic status from the authorities' standpoint. Two of the five are linked to the existing management problems in the country and the fifth priority is linked to Iran's economic sanctions in recent years.

CONCLUSIONS AND RECOMMENDATIONS

Despite the weakened condition of tourism in Iran economy during 2009 – 2013, it is seen a jump in the total contribution of tourism to GDP in 2014. This could be for different reasons: Administration replacement and the new administrative approach to foreign tourists' entrance to the country, efforts for the abolition of visas, and increased communication and interaction with other countries, tensions in the Middle East, and calm socio-political situation in Iran.

Undoubtedly, foreign tourists are the most important parts of tourists, because they take currency with them into the destination country. According to statistics, tourists who have left the country outnumber foreign tourist arrivals. This is of deep significance, because we lose the currency more than we gain. As such, we should try to weaken the inhibiting factors of foreign tourist arrivals.

There is no exactly information about rural tourism and the number of rural tourists in Iran

There is not any especial information and detailed statistics about rural tourism and rural tourists in Iran. It can be concluded that lack of particular plans and programs in this field have led to this situation.

Based on authorities' opinion, management problems are particularly important in tourism positive impacts on the economic status of Iran. There were two related management factors among their five priorities as inhibiting factors in this field. In affirming this, we can refer to the management of Cultural-Heritage & Tourism organization in Iran. This organization is the main authority on tourism in Iran. Unfortunately, management in the organization is very unstable. During 2011- 2013, there were 19 changes in the managerial level (Tasnimnews, 2013).

It is clear that in such a situation, management and planning would not be effective and the implementation of all programs would be incomplete. According to authorities, another inhibiting factor is Iran economic sanctions. It is logical that governments in difficult economic situations spend on the most important issues. Given the economic sanctions in recent years, no special activity has been done for tourism. It

can be concluded that tourism is not a priority for the government.

Therefore, it is suggested that qualified and competent managers should be employed to help promote rural tourism in the country, develop local strategic plans for the development of rural tourism in the country and individual provinces, improve the cooperation between private sector and local communities in the development of rural tourism, and prepare a detailed statistical system in the field of rural tourism in the country and in individual provinces. These initiatives can improve and develop rural tourism not only in Tehran, but also throughout the country.

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