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AN EXAMINATION OF INTEGRATED RURAL TOURISM DEVELOPMENT IN  
THE GORIS REGION OF ARMENIA

by

Luke Alan Petersen

A dissertation submitted in partial fulfillment  
of the requirement for the degree

of

MASTER OF BUSINESS ADMINISTRATION

in

International Food and Agribusiness

Awarded by the Royal Agricultural College  
in cooperation with Utah State University

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2010

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Signed,

Luke Alan Petersen  
April 5, 2010

## **Abstract**

Opportunities and Constraints of Integrated Rural Tourism Development in the  
Republic of Armenia: An Integration study of the Goris Region

by

Luke Alan Petersen, International Master of Business Administration

Royal Agricultural College, 2010

Major Professor: Dr. DeeVon Bailey  
Department: Applied Economics

Rural tourism is a popular development tool in both developed and developing countries. However, rural economic development can be problematic when considering the diversity of resources and stakeholder groups. In the Republic of Armenia the current system of tourism development is not benefiting rural communities in the regions. This study seeks to provide a deeper understanding of community dynamics in the rural region of Goris through the study of tourism integration. A novel assessment tool is implemented which provides a systematic qualitative evaluation of stakeholder perceptions through which strengths and weaknesses of the local tourism sector are derived. Data extracted from semi-structured interviews provide a clearer understanding of current conditions that will provide valuable insight for policy and development initiatives that seek to maximize local cooperation and benefit. It is clear from this analysis that local strengths include endogenous natural, human, and historical resources, embedded community valuation of tourism, and complementarity. Local weaknesses are related to accessibility, inadequate infrastructure, information disparity and environmental stewardship. Recommendations are made for follow up, planning and implementation.

## **Acknowledgements**

Writing something of this magnitude is not a one man show. It took a lot of cooperation and support from multiple levels to accomplish this work. My utmost gratitude and acknowledgment goes to my wife Hilarie and my two children Madeleine and Craigy for supporting me emotionally, spiritually, physically, and monetarily throughout this process. My wife and two small children accompanied me to Armenia to do the research and have been supporting me through the analysis and writing. The kids endured more tickling and teasing than normal during my breaks from the computer. I also thank my mother for hiding me at her house for a week while I suffered through the literature review.

I want to thank my major professor Dr. DeeVon Bailey for his support all the way through this long process. I am likely his longest i-MBA student. He supported me in going to Armenia without much question and he always provided the two most important things: money and encouragement. He always said, "Don't worry, it will be a good thesis" and he was right. Thanks for your confidence and patience Dr. Bailey! I also thank my committee Dr. Steven Burr and Dr. Ruby Ward for their help and counsel. I also need to thank Dr. Gordon Clark for his insight into the methodology and his time walking me through the process.

While in Armenia I had help and support from a multitude of very generous and hospitable friends. I only have space to mention a few of these good people here but anyone reading this should know of my gratitude for all who helped me in any way. I am particularly grateful to the very busy people

who took time to guide me and answer my questions. I thank Mekhak Apresyan the Head of the Tourism Department for his counsel and connections. Nune Petrosyan of ArmProject was invaluable with her insight, contacts, advice, and encouragement. Vardan Urutyanyan of ICARE/ATC and his staff set me up in an air-conditioned office with a computer for the whole two months I was there and put all their resources at my disposal, this really made me feel important and valued. As a professional translator, Sos Avetisyan of ICARE/ATC helped me with translation free of charge and even drove me home once. Alan Saffrey, a tourism expert at USAID/CAPS was a great sounding board for my ideas and spent time editing my surveys and providing valuable insights and feedback. I also thank Araik Minasyan for helping administer my survey, Zhirayr Martirosyan, Yasha Khachyan, Anush Hovakimyan, and many others in Goris for their kindness and help. I also wish to thank my friends Marat, Gevorg, Hovik, Marzpet, Gohar, the Minasyans, the Grigoryans and countless others for sacrificing their time and meager means to help make our stay comfortable and enjoyable.

In short I have received a lot of support through this long process and I thank everyone who helped and sacrificed, you know who you are.

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## CHAPTER 1

### RESEARCH CONTEXT

#### *1.1 - GOALS AND OBJECTIVES*

This study is in line with the Armenian Tourism Strategy Paper and subsequent initiatives by the Armenian Ministry of the Economy's Tourism Department and others to encourage the development of tourism in the rural regions of Armenia. More specifically, this study is complementary to a recent project document by the UNDP/UNWTO on the development of what the Ministry is calling "Community-Based Tourism" (CBT) meaning tourism that occurs at a local level and seeks to benefit local communities in its impact. This project document calls for an assessment of current tourism status in the regions including market trends, community needs and aspirations, and community engagement in tourism.

The current knowledge base in Armenia is insufficient to determine the preparedness of rural communities for CBT development. This study seeks to provide quality, insightful information about tourism integration in rural areas of Armenia. Through an understanding of current conditions we can provide a context for CBT development framework that can serve as the basis of pilot CBT projects in the regions. It is theorized by many rural tourism experts that a deeper understanding of community dynamics through the study of tourism integration will lead to better tourism development decisions and likely result in enlightened community cooperation and benefit. Rural tourism may hold the promise of becoming an important economic activity in Armenia. However, for

this to occur a path to success needs to be well defined and unique to the specific strengths and weaknesses of a locality.

This study will seek to fulfill these goals by:

1. Clarifying rural tourism's strengths and weaknesses in a global and local context.
2. Defining a path to success by framing CBT within the context of rural tourism literature.
3. Determining an overall profile of where, how, and why tourism integration has or hasn't occurred in the Goris region. This will be accomplished by:
  - a. Selecting a proper assessment tool from the literature that will provide both an overall picture of tourism integration and specifics about its component parts and that can be adapted to local conditions.
  - b. Using the assessment tool to gather information through a survey of the current rural tourism industry.
  - c. Analyzing the results of the survey and making recommendations for further development plans, activities, and policy.

#### *1.2 - RESEARCH APPLICATION*

The results of this study will be of interest to both central and local governing bodies including the Armenian Ministry of Trade and Economic Development and local city and regional administrators. Information gathered through the unique assessment tools in this study will be useful in the conceptualization of community-based tourism development projects in the regions that seek to benefit locals through rural development. This information

will likely be of interest to non-government organizations (NGOs), foreign aid agencies, businesses, and regulatory institutions who support the tourism industry. In Armenia, a land-locked and resource poor transition country, tourism is one of the priority areas of development. Rural tourism provides the opportunity to extend economic benefits of growth to isolated rural areas that are prevalent in Armenia. Interest in poverty reduction measures is high in this region and this study provides information and solutions to address this issue through tourism development.

## CHAPTER 2

### ***BACKGROUND OF TOURISM AND ARMENIA***

#### *2.1 - TOURISM AS AN ECONOMIC ENGINE*

Tourism is a significant world industry by any measure and has great potential for future growth. According to the World Travel and Tourism Council (WTTC, 2008), tourism accounts for nearly 10% of the world's GDP comprising \$5.89 trillion in economic activity and is expected to nearly double by 2018 (WTTC 2008). For this reason, tourism is arguably the world's largest and fastest growing economic sector. The size and growth potential of this industry has made it a popular topic of discussion among investors, entrepreneurs, and government bodies alike in terms of profitability and economic growth potential. Furthermore, tourism comes highly recommended and supported by international agencies such as the United Nations World Tourism Organization (UNWTO), United States Agency for International Development (USAID), Organization for Economic Co-operation and Development (OECD), World Bank, International Monetary Fund (IMF) etc. for developing and transition economies.

Researchers believe that tourism has not only proven to be one of the most critical forces shaping the world's economy, but that it has the potential to positively improve quality of life in both developed and developing countries (Binns and Nel, 2002). There is a considerable amount of excitement about tourism potential both in the public and private sectors around the world. However, despite its powerful influence and potential, researchers caution that

tourism is not an economic or development panacea (Binns and Nel, 2002; Ribeiro and Marques, 2002). Tourism profitability and viability can be fickle and development strategies must be well researched, well funded, and thoughtfully implemented.

In contrast to the widespread success of global tourism, many rural areas in both developed and developing economies are still experiencing widespread poverty and economic decline. This phenomenon is continuing to negatively affect the fabric and structure of rural areas around the globe.

## *2.2 - ADVANTAGES OF RURAL TOURISM*

Rural areas have historically relied heavily on agriculture as the main economic activity. While this is still the case, rural economies have gone through drastic changes in the last 30 years. In the West, rural economic decline can be attributed to consolidation, mechanization and globalization (Tchetchik, Fleischer and Finkelshtain, 2006). These factors led to the farm crises in the 1980s and resulted in continued fallout from rural areas, first primarily in agriculture and then manufacturing (Gannon, 1994; Sharpley, 2002; Wilson et al, 2001). In transition economies the story is a bit different. The collapse of the Soviet Union created a vacuum of productivity and a sharp decline in all sectors. Rural economic decline in these areas is due mainly to the loss of mechanization and manufacturing, and a decrease in productivity as opposed to the increased productivity that affected agriculture in the West.

No matter the origin, rural economic decline is a worldwide issue that has brought about detrimental effects in many levels of government and society

prompting many to seek a solution to the future of rural economies in order to support the viability of society as a whole (Ribeiro and Marques, 2002).

Fortunately, some of the same causes of rural economic decline are now creating an opportunity to promote regrowth. Moving away from labor-centered agrarian lifestyles, many industrial societies have come to appreciate and even 'need' leisure time. After the 1970s, leisure became a victory of the middle class who typically spent it consuming mass tourism (Canoves et al, 2004). However, in post-industrial societies the middle class has begun to realize that they have essentially lost their rural roots and now have a desire to reconnect. Whereas countryside recreation has existed for centuries, it was typically only a luxury of the rich who could afford to be disconnected from agriculture long enough to feel the nostalgia of return (Tchetchik, Fleischer and Finkelshtain, 2006). In today's prosperous circumstances, rural tourism, consequently, has also become part of what Cawley (2008: 317) describes as, "the postmodern quest for an antidote to the anomie of wealth and urban life." The post-modern, post-industrial movement has led to a relatively new type of tourist who are seeking more of a unique tourism experience than just a break and rural areas can provide many of the traditional experiences that modern tourists seek (Wilson et al, 2001).

Rural tourism has been defined by Lane as, "not only being located in rural areas but being rural in scale, character, and function, reflecting the unique patterns of the rural environment, economy, history and location. It also must be a part of the rural fabric and employ local resources" (*cited by* Tchetchik, Fleischer and Finkelshtain, 2006: 3). Rural tourism, thus, is a counterpart to traditional packaged tourism and has recently evolved from a supplementary

niche to a sector of its own (Canoves et al, 2004; Sharpley, 2002; Tchetchik, Fleischer and Finkelshtain, 2006). The concept of rural tourism has evolved into a group of tourism products including, for example, agritourism, ecotourism, adventure tourism, heritage tourism, and ethnic tourism. Rural tourism is now a useful diversification tool for rural economies. Through the encouragement of economies of scope it can act as an engine of economic growth in rural areas (Gannon, 1994; Sharpley, 2002).

Rural tourism is now thought to be one of the most effective ways to re-energize and restructure lagging rural economies through its synergistic effects (Binns and Nel, 2002; Cawley, 2007; Ribeiro and Marques, 2002). However, as with any tool, it must be applied carefully to the job for which it was intended. Not all aspects of rural tourism apply in all contexts. Ribeiro and Marques point out that the success of rural tourism in certain contexts has led to widespread rhetoric about its effectiveness. High expectations often lead to disappointment when enthusiasts realize the gap that often exists between reality and promise (Ribeiro and Marques, 2002).

In the context of rural development through tourism, this study seeks to clarify development options and best practices for rural tourism development in the unique transition economy of Armenia.

### *2.3 - ARMENIAN ECONOMIC CONTEXT*

The Republic of Armenia is home to a people plagued by adversity. Throughout history, however, they have proven their fortitude by surviving countless oppressors and repeatedly redeeming themselves from the most hopeless of circumstances. The most recent Armenian hardship, the collapse of



the Soviet Union, is no exception. In the last 15 years, Armenia has proven its vigor once again by rising from the severe economic downturn following the disintegration of the former USSR to become what experts are now calling the “Caucasian tiger (WB, 2006a)”.

Despite its limited resources, Armenia has attained an average annual GDP growth rate of nearly 10 percent over the past decade and rising to 14 percent in 2006, as the highest among transition economies (IDA, 2007). This impressively consistent performance can in part be attributed to the persistent pursuit of market-oriented reforms and assistance from large external inflows of grants and other soft money. Nevertheless, Armenia remains poor with income per capita at around US \$1,600 or only about a third of the income per capita in the Baltics (WB, 2006a).

Despite its impoverished, landlocked status, the Index of Economic Freedom published by the Heritage Foundation found that in 2007, the Armenian economy was 69.4 percent free. This makes Armenia the worlds 32<sup>nd</sup> freest economy and well above the average at 19<sup>th</sup> freest among European countries (HF, 2007). It is important to note also that during the early 2000s nearly 17 percent of the population, more than half a million people, had moved out of poverty. Poverty is still a serious issue despite drastic improvement evidenced in the fact that Armenia still tops the list of transition economies at 17 percent unemployment (WB, 2006b).

As one may easily see, Armenia has not yet arrived at the prosperous state of seasoned market-based countries in the developed world but it has done a remarkable job of charting its course. Tourism is one of the top areas of growth

in the Armenian economy. During the period of 2001 to 2006, tourism grew by an impressive 25% per year (MTED, 2007). However, in the context of its competitors Armenia still needs improvement. Armenia's share of the European tourism market is only .08% and only .04% of the world market and representing just 4.7% of local GDP compared to tourism's 10% global contribution (MTED, 2007).

#### *2.4 - ARMENIAN TOURISM IDIOSYNCRASIES*

The tourism climate in Armenia is unique in many ways. Their distinctive position comes from a combination of factors including post-Soviet infrastructure, a large Diaspora population, and unique tourism resources.

##### *2.4.1 - POST-SOVIET TOURISM FACILITIES*

Kostianen (2002) describes Soviet tourism as an activity primarily designed to educate Soviet citizens. Such education may have been designed to serve economic ends, but the general belief is that it was meant to assist in promoting the "*Homo Sovieticus*" belief system. Pioneered by Lenin's wife N.K. Krupskaya, domestic excursions and educational travel was most often organized and guided by trade unions for Soviet workers. This was more of a retreat referred to as 'sanatoria', meaning a combination of a resort/recreational facility and a medical facility intended to provide short-term rest and medical services to groups of Soviet workers on yearly collective holidays.

Tourism infrastructure in Armenia was consequently developed mainly to serve large groups of workers on 'sanatoria' and often little attention was given to quality of construction or environmental impacts. Few foreign tourists came to the Soviet Union and most who did stayed in the main populated areas. Most

Soviet tourism facilities were abandoned after the collapse of the Soviet Union and fell into disrepair.

It is important to the discussion at this point to understand the economic structure of Soviet Armenia. The economy of Soviet Armenia was, as were many other republics, based upon industrial production. Most people including those living in small towns and villages, were employed by large production facilities that were vertically networked together within the Soviet system. Very few economies were strictly agrarian and even agrarian areas were connected to the 'Kolkhoz' collective farming system. For this reason, rural areas in Armenia suffered a significant shock during the early 1990s when production facilities became, essentially, remote islands cut off from the Soviet inter-state supply chains and large farms lost economies of scale by the land privatization process. This is interesting within the context of rural crisis in the West where the shock and economic hardship in rural areas has been much more gradual.

The Soviet economic system was a stark contrast to currently popular group of Local Economic Development (LED) initiatives. Contemporary development policy evident in LED strategies promotes the improvement of rural economies through modern rural tourism and similar initiatives. These programs are centered around consumption of rural resources rather than production and horizontal networking activities are thought to be most effective (Binns and Nel, 2002; Cawley, 2007). Soviet policy, however, was extremely production focused and managed through a hierarchical, vertical network of government planning. This philosophy was very much ingrained into communities in the Soviet Union. Although many urban communities in Post-Soviet countries are beginning to

change and adopt more Western market values, many isolated rural areas are plagued by post-communist power struggles perpetuated by these ideals (Hall, 2008). This phenomenon is a concern when considering the effectiveness of introducing Western rural development ideals in these areas.

#### *2.4.2 - DIASPORA*

Soviet rule and its collapse was just one piece of Armenia's long history of war and conflict, which has resulted in a large and scattered diaspora population dating back to 1375, when Armenia first lost statehood. Subsequent emigration from the oppressions of the Ottoman Empire, Russia, and the Caucasus has led to a diaspora population of 7-8 million worldwide. Vertovec (1999: 1) defines diaspora as:

any population which is considered 'deterritorialised' or 'transnational' -- that is, which has originated in a land other than which it currently resides, and whose social, economic and political networks cross the borders of nation-states or, indeed, span the globe.

The Armenian diaspora is an important part of the Armenian economy. So important, in fact, that the Armenian government has recently established a Ministry of Diaspora relations. The diaspora plays an important role in strategic planning at many levels of government and in the private sector. Studies show that around 37 percent of Armenian households regularly receive remittances from their diaspora friends and relatives and that these remittances account for up to 33% of GDP (WB 2006b).

As tourists, the Armenian diaspora is a group of emotionally-attached travelers that typically come often and stay for long periods of time with an average stay of 25 days and representing nearly 62% of all tourist activity

(MTED, 2007). There is little doubt that the diaspora is a large part of the Armenian tourism equation.

#### *2.4.3 - UNIQUE TOURISM RESOURCES*

The Armenian diaspora is not unlike the postmodern and postindustrial middle class discussed earlier in that they both have lost their roots. The Armenian diaspora is a subsection of the growing modern disconnected and discontented population who are now seeking to reconnect and 'experience' more during their travel and leisure time. Experience type tourism resources abound in Armenia. Contemporary Armenia is the remnant of an ancient and historically important empire with rich history dating back to biblical times. Armenia also boasts beautiful, diverse and undiscovered natural landscapes, interspersed by tens of thousands of historical monuments.

Amazingly, in a country of only roughly 30,000 square miles there are over 24,000 registered monuments. Mitchell and Reid (2000: 121) observed that, "tourists are typically lured to a new destination by unique natural and cultural features but, as is currently the case with Armenia, they may be restricted by accessibility, facilities, and local knowledge." This is evidenced in a recent USAID (2007) visitors survey which indicated that although a large majority of visitors came to enjoy nature (69%) or historical/cultural attractions (59%) that are typically found in rural areas, the majority of visitor spending and accommodation happens in the urban capital of Yerevan. It has been suggested that many rural areas have the skills and abilities to produce a successful tourism product, however those resources are often not exploited (Gannon, 1994). Armenia has unique tourism assets that can attract both diaspora and

broader market tourists who seek new and interesting experiences. Local authorities are taking the first steps to success by recognizing those assets (Binns and Nel, 2002).

## *2.5 - ARMENIA AND RURAL TOURISM*

Clear evidence of tourism potential, coupled with the encouragement from international development agencies, has led Armenian policy makers and governmental ministries to pursue their tourism development options. Tourism professionals and researchers alike tout the benefits of rural tourism in developing rural areas through the service sector to bring about community, environmental, and monetary benefits. Experience suggests that tourism promotion is a relatively inexpensive strategy that can result in everyone's best interest. This is possible by drawing in foreign exchange through the thoughtful, carefully planned, and intelligent exploitation of local culture and nature by private and public entities (Binns and Nel, 2002; Canoves et al, 2004; Easterling, 2004). Armenian decision makers are currently researching development initiatives that will synthesize their development goals with the country's unique assets.

### *2.5.1 - DEVELOPMENT INITIATIVES*

This study is complementary to one particular rural tourism development initiative spearheaded by the Ministry of Trade and Economic Development (MTED) through their tourism department. This governing body has recognized that although many of the best heritage and natural tourism assets are located in rural areas, tourism facilities and spending are centered in the capital city of Yerevan.

Denman, an international expert on tourism, was sent by the UNWTO in the spring of 2008 to consult with the ministry and others on the feasibility of developing what the ministry called CBT. Denman (2008: 1) explains that, “the imbalance of tourism impact between rural and urban areas is causing problems in the sector itself, limiting the capacity to develop tours and itineraries and also inhibiting the ability of tourism to contribute to poverty alleviation efforts in rural areas.” The literature suggests that this is a common problem in both developed and developing countries alike (Gannon, 1994; Ribeiro and Marques, 2002).

#### *2.5.2 - CONCLUSIONS*

The problem identified by MTED is a complex one that, as has been suggested, must be approached carefully and systematically. Cawley suggests that rural economic development through tourism is often problematic when considering the diversity of resources and stakeholder groups (2007). Little research has been performed in Armenia to understand these complex issues and how they fit within the framework of its unique economic, cultural, and historical environment. This study seeks to extend previous research conducted in other developing countries by providing base-line empirical information about Armenian rural community resources and readiness through the study of tourism integration.

It is theorized that through a deeper understanding of community dynamics through the study of tourism integration, policy makers and local entrepreneurs can make better decisions about how rural tourism might develop

in the regions. A clearer understanding of current conditions will allow development initiatives to maximize local cooperation and benefit.



## CHAPTER 3

### *RURAL TOURISM DEVELOPMENT IN ARMENIA*

#### *3.1 - ROLE OF RURAL TOURISM IN ARMENIAN ECONOMIC DEVELOPMENT POLICY*

The concept of Local Economic Development (LED) is common throughout the literature though it may not always take the same name (Binns and Nel, 2002). This is, in part, due to a common phenomenon worldwide, but more commonly occurring in the developing world, for economic development to occur in a geographically and spatially uneven way creating a subsequently disproportionate distribution of income and benefit (Mitchell and Reid, 2000).

Armenian rural development initiatives in the last few years have followed the trend of promoting rural economic development through poverty reduction policies. The Poverty Reduction Strategy Paper and the Human Poverty and Pro-poor Policies are the main documents in Armenia outlining non-agricultural government strategy and action plans for rural areas. Both of these documents are in line with the emerging theme of pro-poor development strategies that are emerging in the literature (Binns and Nel, 2002). These documents outline the need for economic growth in the regions of Armenia that along with international aid agency influence, have likely led in part to the Tourism Department's vision of what they are calling Community Based Tourism (CBT). The vast majority of rural tourism policy priorities in Armenia, although they may have differing ideas about the cause of development inequality, seem to subscribe to the idea that the solution lies in the creation of regionally specific

development plans. These plans are based upon - and complimentary with - local natural and human resources.

### *3.2 - COMMUNITY BASED RURAL TOURISM IN ARMENIA*

In his report commissioned by the UNWTO, Denman observed that the MTED's vision of CBT is in many ways different from what is found in the literature. MTED is interested in a large scale, ambitious, and implementable approach to rural tourism development. For this reason, CBT in Armenia has been conceptualized in its widest sense to mean, "tourism that occurs at a local level and seeks to benefit local communities in its impact" (Denman, 2008: 4). It is the intention of this study to frame the emerging Armenian CBT concept within the context of rural tourism literature, test the readiness of a pilot community to embrace such a policy, and to inform the discussion of a comprehensive means for its implementation.

The Armenian MTED's concept of CBT needs to be further clarified in order to ensure successful, equitable development action. The definition arrived at above is open to considerable interpretation. If it is implemented without specification, it would likely lead to the opposite end for which it was intended which was poverty reduction. It has been shown in the literature that in its natural, unregulated state, the tourism industry will often resist community participation in decision making as planners perceive it will increase costs and put pressure on profits (Blackstock 2005). However, Blackstock (2005 : 42) observed that "most communities are heterogeneous, stratified and struggle with internal power relations."

The true nature of communities is in stark contrast to the often romantic and appealing notion that communities are apt to create marketable tourism products present in the typically positive literature surrounding CBT development (Blackstock, 2005; Manyara and Jones, 2007). However, ensuring community involvement and benefit is not an easy task. In her critique of CBT, Blackstock (2005: 40) suggests four potential shortfalls of the concept of CBT:

- 1- Communities are presented as homogeneous blocks.
- 2- CBT often focuses more on the long-term success of tourism than resident empowerment.
- 3- External constraints are often ignored.
- 4- CBT garners resident approval through encouraging acceptance instead of asking for input.

These constraints can lead to a loss of control for communities in the face of large tourism companies and government agendas. Mitchell and Reid (2000) suggest that tourism destinations are rarely created communally and that real power and decision making usually happens outside community control and influence. This is a difficult reality complicating the effective involvement of communities. When the concept of a regional tourism product is typically constructed through the imagination of an entrepreneur, firm, or government body how can a community assume, sense, or claim ownership? This also raises another question. Do isolated rural communities have enough information to conceptualize a viable tourism product?

Rural tourism studies on both CBT and Pro-Poor Tourism (PPT) suggest that in order to be successful, a local tourism initiative must seek to unlock opportunities for the poor at all levels and scales of operation. This should be accomplished through awareness, unity and power in order to overcome considerable obstacles. These obstacles have been listed by Manyara and

Jones (2007: 630) as globalism, literacy, sector skills, capital, and government control (Binns and Nel, 2002; Gannon, 1994; Mitchell and Reid, 2000). The concept of tourism laid out by the MTED needs to take these important considerations into account when moving forward with this initiative.

Public Armenian tourism developers and regulators are beginning to recognize the potential for rural tourism development and are seeking information about what the path to success might look like. It is important now to help coordinate a comprehensive vision of what type of rural tourism development approach holds the most potential to both involve and benefit local communities. This type of approach will assist and empower local communities in "pulling themselves up by their bootstraps" through tourism as Binns and Nel (2002) observed in South Africa.

### *3.3 - RURAL TOURISM SUCCESS FACTORS*

The literature is replete with examples of success and failure within the realm of rural tourism. It is clear that development of rural, disadvantaged, or lagging areas through rural tourism is not a simple or exact process. However, success factors are being determined through theoretical and empirical research. Success seems to be a product of both clear and realistic expectations and the synthesized integration of stakeholders, experience and knowledge.

### *3.4 - CLARIFYING EXPECTATIONS*

An examination of the literature surrounding rural tourism development quickly reveals a common theme about rural tourism initiatives; they often don't deliver what they promise. A number of studies examining community and rural

tourism operations suggest a level of cognitive dissonance among stakeholders when the outcomes of tourism didn't meet expectations (Binns and Nel, 2002; Blackstock, 2005; Manyara and Jones, 2007; Mitchell and Reid, 2000; Ribeiro and Marques, 2002; Sharpley, 2002). These same studies suggest a number of explanations for this phenomenon. Mitchell and Reid (2000) suggest that the process of planning community tourism destinations tends to be overly simplistic or completely non-existent. Sharpley (2002) found that in Cyprus, disappointment resulted from unrealistically high expectations, lower than expected consumer spending, and the corresponding income which may have been due to shortfalls in support, training, facilities, occupancy levels and marketing. Ribeiro and Marques (2002) also found that the expectations of tourist spending are often unrealistic and overestimated in the context of local resources. Manyara and Jones (2007) did not perceive a significant impact of community tourism on individual poverty reduction in Kenya. Binns and Nel (2002) found that in South Africa pro-poor tourism was not as powerful as market-led tourism and that duplication of services put further strain on the market. These examples indicate that tourism is a fickle industry that warrants close examination.

Lessons learned by rural tourism practitioners can help to realign reality with rhetoric. There are many differences not just between rural and mass tourism products but among the tourists themselves. These differences can help explain income constraints.

Tourists interested in rural leisure activities are believed to have higher income than the average tourist and thus are expected to spend more money

(Ribeiro and Marques, 2002). However, the independent attitude of these tourists that leads them to seek rural experiences coupled with the isolated nature of rural tourism and the absence of compensable consumable products results in lower spending and high-income leakage (Mitchell and Reid, 2000; Ribeiro and Marques, 2002; Sharpley, 2002). Rural tourists consume essentially public goods like the countryside, culture, and nature of rural areas which are often not tied to compensable goods or services. Rural people involved in tourism often live simple lives and are not aware of the potential spending habits of wealthy urban people, and thus do not create and exploit income possibilities. On this note, many of the most economically successful rural tourism products are those that have been fabricated by implanted or second generation rural tourism business operators to meet the often unrealistic "Norman Rockwell" type expectations of tourists (Canoves et al, 2004).

It can be argued that fabricated rural tourism is not rural tourism at all and should be excluded from rural tourism research. The reality is that in most cases rural tourism development is not intended to be a sole income source replacing local lifestyle and occupations, but rather a supplemental or complementary income source. Whereas healthy, thriving communities make easy tourism success stories, in most areas, both in the developed and developing world, rural tourism development happens in struggling communities who are looking for solutions (Blackstock, 2005).

In developing countries - and especially in transition countries - it may be beneficial for planners to take a more modest approach to rural tourism development. Hall suggests that the current 'bricolage' of research that has

grown out of tourism's success in certain areas might be too advanced and complicated to apply to transition economies, and is better replaced with a 'bricklaying' or more systematically gradual approach of laying solid foundations (Hall, 2008).

One example of the difference between rural tourism in developed and developing countries is the suggestion in the literature that rural tourism requires a relatively modest amount of investment compared to other tourism products (Wilson et al, 2001). In contrast to many European and US rural areas, infrastructure in developing and transitional economies is still a significant barrier to tourism development. Success of rural tourism in these areas is unlikely without considerable government and other external intervention to remove barriers, lure in private investors, and provide support (Blackstock, 2005; Jamal and Getz, 1995; Manyara and Jones, 2007; Ribeiro and Marques, 2002; Sharpley, 2002).

It is clear from experience across the globe that rural tourism has its limitations. However, this evidence should not be used to discount the viability of rural tourism but to moderate some of the extreme optimism in this sector. Armed with unbiased expectations, planners can set aside any unrealistic enthusiasm for rural tourism and put themselves in the position to incorporate the most up-to-date evaluation methods early in the planning stages that will likely result in more appropriate and successful projects.

### *3.5 - INTEGRATION*

The incredible growth and success of the tourism industry has prompted countless academic publications spanning a number of disciplines (Tchetchik,

Fleischer and Finkelshtain, 2006). For this reason, rural and other tourism planning efforts have become difficult in the face of an incredible amount of complex and varied information. Gunn (1998) suggests that a 'go it alone' approach to tourism will likely not produce the type of tourism products that modern society demands. This is the fundamental difference between the traditional economic approach of business creation and support (Eadington and Redman, 1991) in tourism and the community approach (Murphy, 1985) that suggests, "community integration as a comprehensive approach to managing complex systems of stakeholders and resources" (Gunn, 1998: 317)

The shortfall of many narrowly focused tourism development agendas has prompted the creation a more comprehensive approach referred to as Integrated Rural Tourism (IRT). Working under the assumption that a well-integrated tourism product is more valuable than one poorly integrated, Saxena et al. (2007) constructed the idea of IRT. Saxena et al explain that IRT creates a means of thinking critically and comprehensively about the actors, resources and relationships involve in a notoriously fragmented industry. This is precisely what the Armenian MTED and its collaborators need.

Clark and Chabrel (2007) observe that IRT has the power to create a system analogous to Pareto's optimality where diverse stakeholders and resources can come together to produce synergistic benefits for all instead of subjective trade-offs. This type of integration requires the construction of a holistic profile of tourism's range of consequences for a given area. This approach holds the promise of not only facilitating a greater coordination among multiple local and regional actors but also the roles and responsibilities



associated with both the implementation and monitoring of tourism development strategies and resource management (Cawley, 2007; Saxena, 2007). Some experts suggest that an IRT based local development plan that is managed as an interwoven, dynamic value chain can help provide competitive advantage (Rodrigues-Diaz and Espino-Rodrigues, 2008; Farrell and Runyan, 1991). IRT takes into account the whole picture accounting for both the short and medium-term requirements of stakeholder participation and community support and proper scale for sustainability in the long-term.

The IRT system pioneered by Saxena et al (2007) is based on a group of seven criteria that together represent a holistic view of the local tourism sphere. These seven criteria include: Networking, Scale, Endogeneity, Sustainability, Embeddedness, Complementarity, and Empowerment (See Table 3.1) that can be summarized in 3 groups - Stakeholder Collaboration, Community, and Long-term success.

### *3.5.1 - STAKEHOLDER COLLABORATION*

As suggested earlier, rural tourism development initiatives rarely originate at the community level. However, the idea has been introduced that collaboration in development implementation is beneficial, especially in the face of complexity as in the case of Armenia (Rodrigues-Diaz and Espino-Rodrigues, 2008). Such collaboration becomes possible as stakeholders begin to understand the potential of working as a team (Jamal and Getz, 1995). No matter how and by whom the tourism plan is conceived, success begins with the systematic inclusion of stakeholder groups through community capacity building and horizontal networking (Mitchell and Reid, 2000; Inskeep, 1991). According

Table 3.1: Seven Aspects of Rural Tourism Integration adapted from Saxena et al. (2007) (For definitions see Table 4.1)

<p style="text-align: center;"><u>Stakeholder Collaboration</u></p> <p style="text-align: center;">1- Networking</p> <p style="text-align: center;"><u>Community Participation</u></p> <p style="text-align: center;">2- Embeddedness</p> <p style="text-align: center;">3- Endogeneity</p> <p style="text-align: center;">4- Empowerment</p> <p style="text-align: center;">5- Complementarity</p> <p style="text-align: center;"><u>Long-term Success</u></p> <p style="text-align: center;">6- Sustainability</p> <p style="text-align: center;">7- Scale</p>
--

to Saxena et al (2007), examples of rural tourism stakeholder groups are: tourism institutions, businesses, regulators, community members, and tourists.

Stakeholder involvement in decision-making is critical. Research shows that the more involved stakeholders are through networking inclusion the more satisfied they will be with change and development. Furthermore, return on investment has been shown as a function of stakeholder satisfaction (Easterling, 2004). Networking ensures that stakeholder needs are not being overlooked; however, as one might imagine this is not a perfect system especially in light of Armenia's tourism idiosyncrasies. Reed (1997) suggests that power relations can often be overlooked and oversimplified by the belief that desire for

collaboration alone will create an environment of cooperation. It can be a slow process to build productive relationships between diverse stakeholders.

UNESCO (2008) observed that networking among stakeholders must also include an element of education. This observation is backed up by the literature (Wilson et al, 2001). Information exchange in rural development is often weak. Information disparity must be overcome by equitable access to information through a medium that facilitates the acquisition, diffusion, and mobilization of resources and ideas. If interactive and collective learning and networking is not implemented, uncertainty and alienation can erode the sustainability of tourism ventures (Koutsouris, 2009). Networking is also critical in the attraction of visitors, in the coordination of investors, and in local support (Saxena et al, 2007).

### *3.5.2 - COMMUNITY*

Networking is a powerful success factor in IRT, especially if it is well rooted and owned at the community level. It has been suggested that of all the factors determining rural tourist satisfaction, none is more important than how connected they feel to the people and places they visit (Easterling, 2004). The ideas of embeddedness, endogeneity, complementarity, and empowerment all grow out of this philosophical premise. These tourism community virtues are most likely to be born out of a process of adequate sensitization during the tourism start-up phase (Manyara and Jones, 2007). A strong beginning will pave the pathway for future resident responsiveness that will help to develop the sense of a dynamic, endogenous, complementary, and embedded tourism community (Manyara and Jones, 2007; Mitchell and Reid, 2000). Planners

should have a strong incentive to include residents by assisting in the mitigation of negative externalities and clarifying of expectations. This investment in the community may seem cumbersome in the beginning but in time will create an atmosphere of trust that will ensure a marketable and profitable tourism product (Wang and Pfister, 2008).

If the atmosphere is right and integration is aggressively pursued, these community virtues will grow naturally to create a tourism product that is hardly distinguishable from the residents' everyday life. Residents become active and empowered when they are informed and when an environment of choice and accountability is created and maintained (Saxena et al, 2007). Armed with this power, residents and stakeholders are less likely to be impartial towards their natural and historical-cultural heritage and often begin recognizing and appreciating local resources (Canoves et al, 2004, UNESCO 2008).

### *3.5.3 - LONG-TERM SUCCESS*

A positive result of tourism development is the increase of community appreciation among residents often leading to the subsequent desire for the preservation of local resources (Easterling, 2004). Careful attention to the minimization of negative tourism impacts is an important part of tourism integration that has been referred to as sustainability (Binns and Nel, 2002; Canoves et al, 2004). Easterling (2004: 55) referred to the contradictions in disjointed tourism development by describing it as, "a goose that not only lays a golden egg, but also fouls its own nest". Demand on public services and natural resources can increase environmental and living costs, and if not properly addressed can endanger the sustainability of both the industry and the

environment (Easterling, 2004; Gannon, 1994). Tourism planning must also take into account the carrying capacity of both community and environment. A tourism development initiative that is matched to the community at the proper scale will help to ensure sustainability (Saxena et al, 2007).

### *3.6 - CONCLUSION*

Rural tourism may hold the promise of becoming an important economic activity in Armenia. However, for this to occur the development path needs to be well defined within the context of Armenia's unique natural and human resources. Ambitious and large development initiatives are unlikely to be successful in the context of community-based tourism. This is especially true in the context of both economic and social transition. Sustainable tourism development will depend on the systematic inclusion of all variables and a specific action plan tailored to a well-prepared locality. Integrated rural tourism has been identified as a possible mechanism for both assessment and implementation. However, it has also been made clear that rural tourism will not be automatically successful and is subject to success factors that are both universal and unique. IRT is a system through which resources, demand, and reality can be synthesized and through which an appropriate and locally customized action plan can emerge.

## CHAPTER 4

### METHODOLOGY

#### *4.1 - ASSESSING TOURISM INTEGRATION*

Tourism integration assessment is a developing and intriguing concept. Tourism's growing economic importance over the last three or four decades has helped create a unique research environment. This environment is characterized by a complex group of academic disciplines each striving to explain the phenomenon of tourism from their unique and specialized backgrounds and skill sets. While each of these approaches may help to explain one aspect of tourism, none of them alone is sufficient to deliver the fundamental data needed in context of Armenian rural tourism. Saxena et al. (2007) observed that the basis of rural tourism lies in its importance in the lives of local stakeholders and their capacity to manage it. A dynamic and multi-dimensional approach is therefore necessary in order to produce the kind of baseline contextual data needed to begin a realistic and appropriate conversation about the feasibility of CBT development in Armenia.

The tourism integration model set forth by Saxena et al (2007) fits well within the contextual limitations of rural tourism development in Armenia by providing a 'value chain' approach to tourism development where one can take a horizontal and vertical snapshot of the current tourism systems through an analysis of the basic component parts of successful tourism through the eyes of the main stakeholder groups. Because sustainable CBT must be, by definition, a community-owned product, its assessment is therefore a perceptual issue that is not easily measured by rigorous, objective means. IRT assessment provides

a means to begin understanding the complexity of social perception and local society's critical judgments in order to determine what and where changes must take place instead of an abstract view created by a detached and purely statistical approach.

#### *4.2 - QUALITATIVE VS. QUANTITATIVE METHODS*

A study by Riley and Love (2000) describing the state of qualitative research in tourism suggests that the need for deeper understanding of dynamic tourism development may be leading to the increasing number of qualitative research publications in the literature. They also suggest that although qualitative research might not be able to produce data that can be generalized to the broad tourism market, it can be extremely useful to local practitioners and developers. This sentiment is shared by Saxena et al. (2007) and is evident in their study development where it became clear that although appealing, objective assessment of tourism integration was not feasible given the breadth of variables and the lack of synthesizable data. In the context of Armenia and this study's time and budgetary limitations, quantitative analysis was even more impractical. The largest obstacle to quantitative methods was that little secondary data about any industry in Armenia is available let alone tourism. Also when they are available they are, in many cases, not reliable. It follows then, that data availability for small rural regions are essentially non-existent.

The Armenian tourism industry is unique and detached enough that objective, quantitative results are in many ways even more elusive and impractical than in the Saxena et al. (2007) study it was based on. Qualitative methodology and analysis allow the flexibility needed to gather meaningful

primary data that can be used to create a true, realistic picture of the breadth of tourism in time and space. Walle (1997) suggests that a purely objective approach to this type of diverse research, if even possible, would likely be simple and sterile, resulting in more of an abstract creation of the author than a picture of stakeholders' true perceptions and roles. In research situations like that of Armenian CBT, many experts seem to agree that a qualitative approach is more useful in local practice and more capable of coping with potential problems and complexities. This approach fits the needs and objectives set out by the Armenian Ministry and development professionals and the limitations of this study.

#### *4.3 - MEASURES OF TOURISM INTEGRATION*

The original research approach by Clark and Chabrel (2007) that this study is based on is a qualitative one that seeks to gain an understanding of the way in which IRT operates in practice by documenting the experiences and views of six stakeholder groups on seven dimensions of tourism integration. This methodology has been adapted to fit the limitations of a very embryonic rural tourism industry in Armenia. Tourism structure, time, budget, and resource constraints of this study required the simplification of actor groups to include four main stakeholder groups present in Armenia: Tourists, Community Members, Tourism Businesses, and Tourism-Related Institutions. Tourists were seen as any individual visiting the area recreationally, community members were long-term residents of the region, tourism businesses were profit-generating establishments who served tourists regularly, and tourism institutions were establishments who's main activity included direct support of tourism resources.



Representatives of these four groups were easily identified given the currently small scale of tourism development in the study region of Goris and were sampled in quantities representative of the scale of tourism activity in the region: tourists (n=24), community members (n=25), tourism businesses (n=7), and tourism institutions (n=8).

Initial contact was made with key tourism businesses and institutions in the region through the cooperation of Nune Petrosyan and her colleagues at the Arm-Project Corporation who had recently performed an assessment of physical tourism resources in the area. Through these key contacts other potential respondents were identified and sampled. Sampling of tourists was performed at the main tourism destinations in the region with an effort to include a representative range of tourist types ranging from young to old and purpose of visit. Sampling of host community members was performed by random sampling of a representative number of small towns and villages in the regions adjacent to popular tourism sites.

#### *4.4 - SURVEY DEVELOPMENT*

Four semi-structured surveys were developed based on samples from the Clark and Chabrel (2007) study for each of the four actor groups and were administered to the representative samples outlined above (See Appendix for inspection of the survey instrument). Most interviews were conducted in the Armenian language with the exception of a few tourist interviews, which were in English. Where permitted interviews were tape-recorded. Each survey included a certain amount of closed-ended questions to profile the respondent, however, most of the questions in the survey were open-ended which allowed the

respondent the flexibility to draw from their own perceptions of locally available evidence as to the current level of tourism integration. In this way, as Cawley (2008) noted, the measurement of tourism integration can be negotiated among diverse stakeholders and unique localities. Surveys were based loosely on example surveys from the Clark and Chabrel (2007) study and were tested on a representative local sample group and adjusted to local conditions before they were applied in the study region.

Survey content was based on the seven dimensions of tourism integration outlined by Clark and Chabrel (2007), which are defined in Table 4.1.

Table 4.1: Definitions of seven tourism dimensions.

<u>STAKEHOLDER COLLABORATION</u>	
1. Networking	The ability of people, firms, and agencies in the locality and beyond to work together to develop and manage tourism.
<u>COMMUNITY PARTICIPATION</u>	
2. Endogeneity	The degree to which the area's tourism is recognized as being based on the real resources of the area.
3. Embeddedness	The role tourism plays in the politics, culture and life of the whole area and population as a local priority
4. Complementarity	The degree to which tourism provides resources or facilities that benefit those who live locally in the area even if not directly involved in the tourism industry.
5. Empowerment	The extent of political control over the tourism industry through ownership, law, or planning; particularly control exercised at a local level.
<u>LONG-TERM SUCCESS</u>	
6. Scale	The extent of tourism in an area in terms of its distribution over time and geographically, bearing in mind any thresholds related to the area's carrying capacity
7. Sustainability	The extent to which tourism does not damage, and possibly enhances, the environmental and ecological resources of the area.

These seven dimensions of tourism were not used in the actual questions as local actors would likely not understand terminology such as “endogeneity” used in this study. The concepts were built into the questions in lay terms and then each question was assigned to one or more of the seven dimensions and was organized into a theoretical typology that could later be systematically followed by a researcher who could then standardize the judgments made by respondents. This method allows the researcher to standardize and categorize different dimensions of tourism integration across actor groups to determine the strengths and limitations of a multi-dimensional tourism development area. This big picture approach is something that neither statistical information nor local respondents could do alone.

#### *4.5- CHOOSING A STUDY REGION*

Choosing an appropriate study region to implement the methodology described above was an important consideration. As a pilot region, the location needed to have the necessary resources and environment to host a successful CBT program. Preliminary research indicated that of the priority areas currently in the Ministry’s tourism plan, Goris was the most likely candidate for research. This was due to the rich natural, cultural, and historical resources of the area, its strategic location, the lack of current large-scale commercial tourism development, and a lagging economy in need of revitalization.

The Goris region is a mountainous area of high plains and deep gorges. It has historically been home to a very unique subculture of hardy, intelligent, and patriotic people. The subculture has been referred to as the “Zangezur” people who historically lived in cave dwellings carved out from the mountainside.

These dwellings were the primary residence of the majority of the population of this area until as recently as the 1960's. These ancient cave cities are a natural tourist attraction, especially in the greater landscape of high elevation, dramatic mountain/gorge scenery.



Figure 4.1. Map of study area in Goris, Armenia. Reproduced from [http://www.reisenett.no/map\\_collection/armenia.html](http://www.reisenett.no/map_collection/armenia.html) 26.3.10.

Not only is the area unique environmentally, but it is also culturally unique. Some of the countries most famous and respected artisans, warriors, and intellectuals were raised in these cool mountain valleys with their fresh air and clear water. The Zangezur people are known for their hospitality and charm and the area is also known in Armenia for its agriculture production of mulberries and green beans. Adding even more charm to the area is the rich and unique architecture that has been preserved even through the Soviet era. Goris city is one of the most unique in the country because of the absence of many of the large communal apartment complexes built by the Soviets. Goris is the largest city in the Syunik 'Marz' (similar to an American county) and was designed by a German architect to include a collection of mainly single and two story family homes with red roofs nestled in a beautiful mountain gorge. Other notable architecture includes various churches, monasteries, and religious gathering places, the most famous of which is the dramatic and strategically important Tatev Monastery perched atop a cliff overhanging a deep gorge.

The Goris area is also at an important crossroads to travelers to and from Iran and the Independent State of Nagorno Karabakh. All traffic coming from the South or the East must pass through this area. It is also far enough from the capital city of Yerevan to justify overnight accommodation, an important aspect of tourism spending. These resources, coupled with the economic downturn following the breakdown of industrial supply chain at the dissolution of the Soviet Union, creates the type of environment evident in the literature where tourism is often considered the most viable development strategy. For this reason there is

considerable interest in this region from local government, foreign aid agencies, and NGOs.

#### *4.6 - ANALYSIS*

Secondary data, if available, is not very reliable in Armenia. Tourism data is just beginning to be gathered. Thus, there are few benchmarks to assess the readiness of communities for a tourism development plan that is sustainable.

To make tourism sustainable on a local level and to be “locally owned” this study relies on the perceived level of readiness and the trend of current development to determine sustainability or integratedness. Through the clustering in time and space perceptions of tourism among interested parties, it is possible to gain a snapshot of tourism experience and existence.

This study will attempt to determine an overall profile of where, how, and why tourism integration has or hasn't occurred. In this way one might understand what the community's views are and thus begin to understand how they might be shaped. This study seeks to accomplish this goal by determining the level of integration in each area and determining what areas of strength and deficiency exist among which groups.

#### *4.7 - QUALITATIVE INTEGRATION ASSESSMENT*

First, a qualitative analysis was undertaken to determine how actor groups viewed the current level of tourism integration as defined by the seven dimensions. Survey interviews were translated into English and transcribed into a spreadsheet format. Analysis of the transcribed interviews proceeded in a manner similar to the method described by Clark and Chabrel (2007) and Cawley (2008). A qualitative assessment was performed through the indexing of

extensive textual data by predetermined typology built into the survey instrument. First, each interview was inspected by the stakeholder group using the question guide typology as a reference for each of the seven tourism integration dimensions. Second, a scale of responses was determined by actor group noting the minimum and maximum schemes as well as illustrative examples. The value added by each of the seven dimensions of tourism integration was then graded on this scale and responses were categorized on a scale of zero to three (0) 'no evidence', (1) weak, (2) moderate, and (3) strong evidence. Lastly, a matrix was derived from the summation of tourism dimensions to enable comparison among actor groups and dimensions.

Lastly, illustrative examples from each interview were gathered and summarized. These responses were used to help explain the perceptual differences between actor groups and dimensions. This information provides insight into the opportunities and constraints of IRT development in this area and may be useful as a follow up to the study to help guide focus group discussions and policy.

## CHAPTER 5

### RESULTS AND DISCUSSION

#### 5.1 - *LEVEL OF TOURISM INTEGRATION AND DEVELOPMENT*

The purpose of this analysis was to take a qualitative snapshot in time of the value added by seven pre-determined dimensions of tourism in a rural locality. This snapshot provides rich insight into the perceptions of key stakeholder groups in the local tourism environment. This data also helps to construct a uniquely broad context of the key issues in tourism making possible a thorough discuss about the state of tourism integration. This type of dynamic, insightful information would likely not be possible or feasible by any other means. A thorough examination of these results will help create a better understanding of local tourism dynamics. This in turn will help guide policy makers, developers, and organizers in the conceptualization and creation of the kind of interlinked value chain that can provide important advantages in a competitive industry (Cawley, 2008).

A summary of stakeholder group responses by integration dimension is included in Table 5.1. Numerical figures represent the mean values of stakeholder responses by dimension on a scale of 0 to 3. Some general observations from the data will be made first. Then, a more detailed description of results for each integration dimension will be included through the use of examples from the textual data to illustrate differences between stakeholder group judgments and perceptions.



Table 5.1. Means regarding the perceived level of value added by integration dimension and stakeholder group. (See Table A.1 in the appendix for frequency table)

	Ne	Sc	En	Su	Em	Co	Ep	Total
Tourism Businesses	1.57	1.43	1.86	0.43	1.14	1.57	0.86	8.86
Tourism Institutions	1.63	1.25	2.38	1.50	1.63	2.25	1.38	12.00
Tourists	1.38	0.50	2.33	1.04	1.42	1.38	1.08	9.13
Community Members	1.48	0.92	2.52	1.79	1.96	1.68	1.12	11.47
Total	6.05	4.10	9.09	4.76	6.14	6.88	4.44	
Ranking	4	7	1	5	3	2	6	

Ne = Networking, Sc = Scale, En = Endogeneity, Su = Sustainability, Em = Embeddedness, Co = Complementarity, Ep = Empowerment. Scale of responses was 0 to 3.

It is interesting to note that endogeneity was perceived to be the most important by each stakeholder group individually and collectively and that the appropriateness of scale was assigned the lowest value collectively and individually by all groups but tourism businesses (See Figure 5.1). It seems that in the Goris area, institutions and residents were the most positive. This may be due in part to their relative separation from the business of tourism. This is in stark contrast to a similar study performed in Ireland where the most positive perceptions came from businesses and tourists (Cawley, 2008). This difference is most likely explained by the maturity of the rural tourism destination. In more developed areas, externalities resulting from tourism expansion and conflicts over resource usage seem to affect groups that have a lower vested interest in tourism.

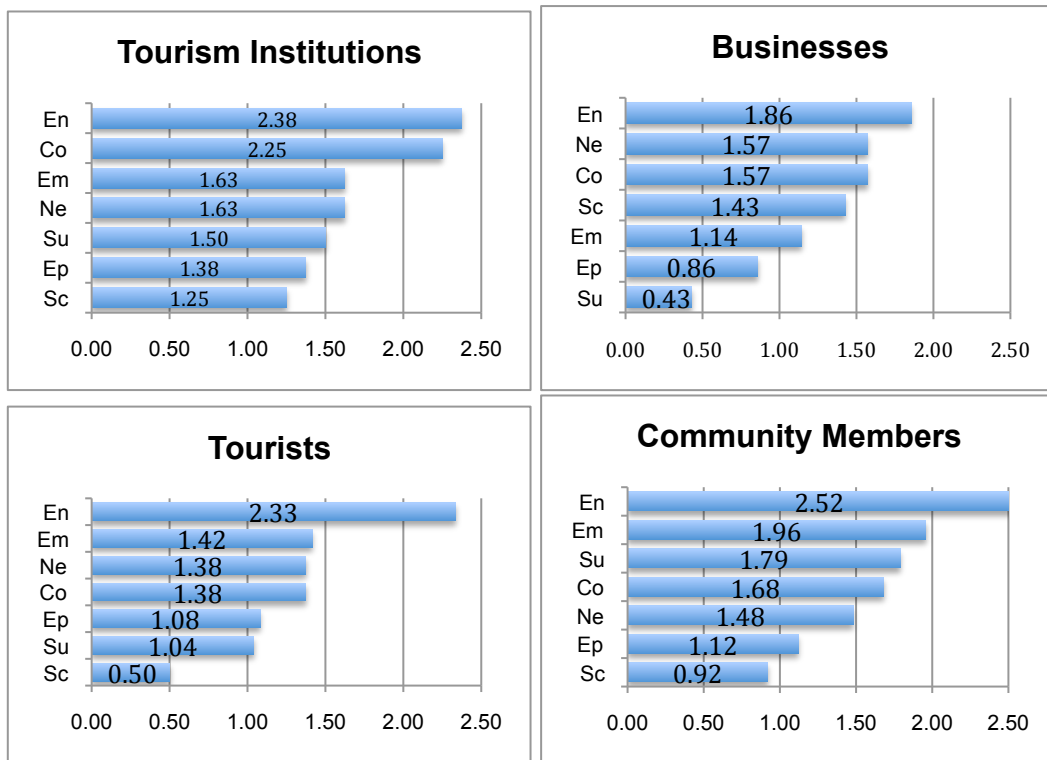


Figure 5.1. Ranked valued-added means for each stakeholder group. Ne = Networking, Sc = Scale, En = Endogeneity, Su = Sustainability, Em = Embeddedness, Co = Complementarity, Ep = Empowerment. Scoring used to produce means was based on a scale of 0-3.

At this stage of tourism development in Goris, institutions and residents were more appreciative of the positive externalities of tourism. There is also evidence from the data that these two groups may not be fully aware of what is happening on the ground in the tourism sector. Community members were intrigued by foreigners and were proud that others valued their resources. They also were hopeful for future economic benefit and as other studies have also found, the more knowledgeable residents were the most favorable (Easterling, 2004). Institutions were the most likely of the groups to be supported by foreign funding and training. It is likely through these relationships that they gained appreciation for resources and were more aware and appreciative of small progress. They may have also been more positive in their responses because they had more

evidence at their disposal and also may be more accustomed and apt to representing the area in a positive light as a part of promoting tourism development and advocating for the area's potential. Looking broadly at the summary of value-added nodes without respect to actor group may help the reader to understand the more macro constraints and opportunities of not only the region but the country. A quick inspection of the rankings in Figure 5.2 may indicate financial and cultural barriers in the lower-valued dimensions. Scale and sustainability issues in the interviews were nearly always connected to finances as well as, to a certain degree, empowerment. Locals and businesspeople in lower socioeconomic classes were less confident in their ability to own and be successful in a tourism enterprise.

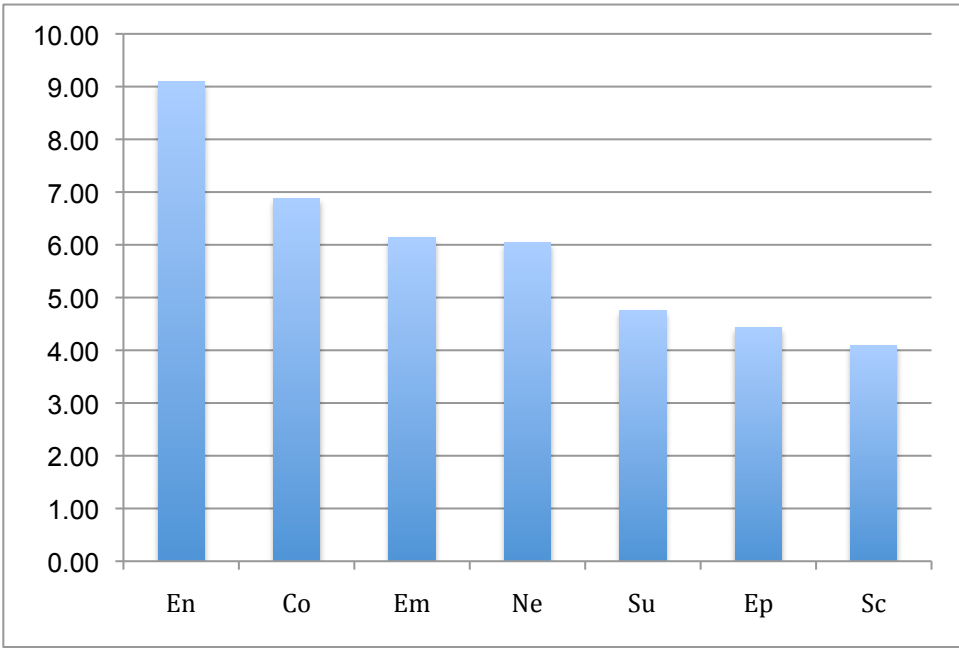


Figure 5.2. Ranked summary of value-added for all actor groups by dimension.

Cultural issues tied to distrust of political and market entities likely played a role in the lower valuation of empowerment and networking as well as sustainability. Cleanliness and historical preservation (especially in reference to

religious artifacts and architecture which constitute a large portion of tourism resources in Armenia) were not priorities under the Soviet industrial system. Positive valuation was strongest in endogeneity, complementarity, and embeddedness which find their value in the rich natural, historic, and architectural resources of the area as well as the hospitable nature of the people. It is important to note that all of these resources precluded modern rural tourism development.

Figure 5.3 also provides an interesting overall picture of the differences between stakeholder group perceptions. The different groups viewed networking and empowerment most uniformly whereas scale and sustainability had a larger dispersion of responses. These differences may be explained

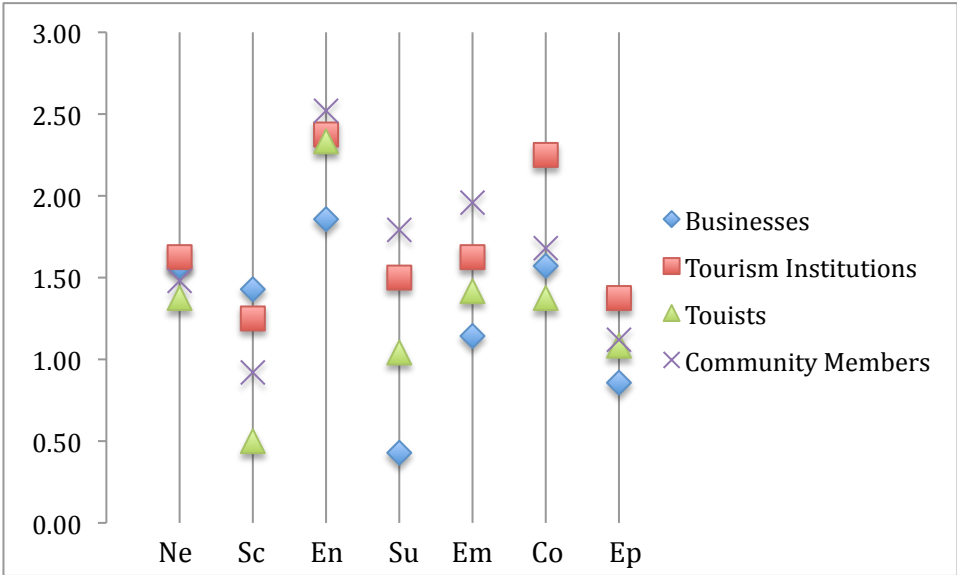


Figure 5.3. Value added by actor group and dimension. Scoring was on a scale of 0-3.

by the availability of evidence between these dimensions as well as their complexities. The horizontal networking that tourism requires not only includes technology and methods that are foreign to rural stakeholders in a developing

country but it is also foreign in the context of the vertical, socialist system the region is accustomed to. This same socialist background applies to the concept of empowerment given the hierarchal political and control norms that are still part of transition economies.

Businesses valued many dimensions consistently lower than the other groups. This may be explained in part by the downward pressure that weaknesses in these dimensions might put on the profitability of their current activities and future profit potential. Businesses in Goris are the most involved and the most invested in tourism development and are thus more keenly aware of the shortcomings imposed by subpar conditions relating to resources that diminish tourism profitability. A more detailed discussion of these issues will be provided through an inspection of stakeholder responses by the seven tourism integration dimensions.

## *5.2- DISCUSSION OF 7 DIMENSIONS*

Stakeholder groups differed in their assessments of each of the dimensions of tourism. These differences were expected and are the key to unlocking a deeper understanding of community dynamics. The concept of tourism integration assessment that this study implemented was chosen in order to dissect the inter-related and potentially complicated interworking of the tourism development process. A better understanding of local tourism dynamics can help guide decision making to ultimately maximize local cooperation and benefit. Each of the seven dimensions of tourism integration will be explored in detail using illustrative examples from the large textual results of the survey. For

reference on the specific definitions used to derive value added by the seven dimensions please refer to Table 4.1.

### *5.2.1 - NETWORKING*

Networking is a measure of how effectively stakeholders work together to support tourism. Many local respondents understood networking in the most basic sense of word of mouth and other informal communication. Interestingly, networking received the most uniform valuation between stakeholder groups and collectively represented the middle ground in terms of value added to the current tourism system in Goris. Examples from the text indicate a sense of sufficiency in networking activities among most local stakeholders. However, networking deficiency relating to services for the tourists was typically only cited by the tourists themselves. Tourists gave the lowest value to networking among the groups and institutions gave the highest. It received its lowest rank (5<sup>th</sup>) among community members and its highest (2<sup>nd</sup>) among businesses.

Networking among all the actor groups was relatively weak and was mainly informal. The majority of the actor groups described networking as informal activities like word of mouth advertising, informal referral services, and ad hoc information sharing. As might be expected, tourism institutions had the most extensive networks including both regional, national and international connections and relationships. Institution responses revealed formal training and information sharing practices as well as an interest in the development of better cooperation among stakeholder groups. Institutions had the most formal and best-researched marketing to tourists through print information such as brochures and booklets.

Tourists' responses included the most technological and sophisticated methods of networking including internet usage, maps, guidebooks and email. However, they were often dissatisfied with the availability of reliable, useful information locally. There were complaints about misinformation, lack of adequate directions to tourism sites, and many tourists indicated that had they known about certain opportunities before they arrived at the location they would have likely planned more time to visit the area and take part in local activities. Businesses gave the impression that they may be unsure about how develop networking and promotion activities that will translate into profits. Tourists, however, were not the only group that did not have adequate information. Most community members, tourists, and even businesses were not only unaware of the tourism institutions' efforts to promote networking activities but many were unaware such institutions existed. This is particularly disturbing given the relatively small number of stakeholders and the interest institutions expressed in cooperation.

It is clear that there are limitations in the current system of networking in Goris. A resolution to the networking plight is paramount as research suggests that networking is key to stakeholder satisfaction. The more involved stakeholders are with each other through networking activities, the more satisfied they will be with change and development. Stakeholder satisfaction has also shown a strong correlation with return on investment (Easterling, 2004). Group entrepreneurship, promotion, and marketing are the tools that are most likely to promote a successful rural tourism product (Gannon, 1994). However, many researchers argue that in developing countries, and especially in transition

countries, IRT potential is likely to remain small without a more systematically gradual approach of laying strong foundations through training that can develop the expertise needed to take networking to the next level and help reduce dependency on foreign experts (Gannon, 1994; Tosun and Jenkins, 1998). It is important to note that this type of sophistication in networking activities is not always an easy target. Clark and Chabrel (2007), in their study using similar methodology, found that the rhetoric of networking benefits don't automatically translate into real assets on the ground and that many tourism stakeholders often find it time consuming and problematic. Evidence from the surveys indicates that networking is not well understood in the Goris region. There is evidence in all the actor group responses that tour operators in the capital of Yerevan are the dominant networking and promotion group offering tourism activities in the Goris region. If locals are to benefit from a CBT product, communication and networking activities must be forged at the local level, especially relating to information and services for the tourists themselves.

### *5.2.2 - SCALE*

Scale has to do with how tourism fits the carrying capacity of the area. Scale was the biggest problem area identified by stakeholders. It was the collectively lowest valued dimension of the seven with tourists valuing it the lowest and businesses the highest. Scale weaknesses in the survey were most commonly linked to infrastructure and the lack of variety in entertainment options. By far the most common complaint in all the interviews was the condition of the road to Tatev Monastery. Tourists were also concerned about the lack of suitable accommodation, restroom facilities, eating establishments,



and information. Although nearly all the respondents had noticed a significant increase in tourists during the last few years, many were concerned whether or not the area had the current capacity to host more tourists. Community members seemed to have the clearest view of scale impediments. One community member said, “Yes tourism has increased but we need to take better care of tourists before we can grow.” Another said, “The number of tourists has increased but the hotel system should be developed so they will stay longer.” Currently, the vast majority of visitors to the area never even come into contact with local tourism businesses and institutions. The highest numbers of tourists are coming in on large daily excursions that often drive up to four hours from Yerevan to spend an hour or two in the area seeing a few main sites and then returning back the same day. This phenomenon has been observed in other studies (Binns and Nel, 2002). Lack of infrastructure is the largest scale impediment in the area.

Problems with scale were not unexpected results for this area. As was pointed out in the literature review, rural tourism research has shown that rural tourists are typically lured to a region by unique natural and cultural features but that when they arrive they often experience unexpected restrictions of accessibility, infrastructure and information (Mitchell and Reid, 2000). Scale weaknesses are particularly evident in developing countries where, as opposed to rural tourism development in developed countries, the expansion of tourism into rural areas requires large amounts of investment in infrastructure. The removal of these barriers is not likely to occur without considerable intervention

by government and investor support (Blackstock, 2005; Manyara and Jones, 2007; Ribeiro and Marques, 2002; Sharpley, 2002; Jamal and Getz, 1995).

The majority of residents, including tourism business owners are as Tosun and Jenkins (1998) observed, “Imprisoned by the basic need to merely survive.” Despite the difficulty of the scale circumstances, the small scale of the tourism in Goris is still considered an asset. Small-scale tourism is the essence of true rural tourism and is usually the most desirable (Cawley, 2008). However, this doesn’t mean that improvements in infrastructure can’t be complementary to rural tourism. In Goris, development complementary to the scale of resources in the area can be part of experienced based tourism offerings and play into the natural and complementary growth stages of successful rural tourism (Canoves et al, 2004; Stamboulis and Pantoleon, 2003).

### *5.2.3 - ENDOGENEITY*

Endogeneity relates to the uniqueness of tourism resources and the competitive advantage they provide. Endogeneity is typically the strength of successful rural tourism sites and was by far the most valued dimension both collectively and by stakeholder groups in Goris. In fact, only businesses really strayed from the common consensus on the value of endogeneity. This was mainly due to the fact that many businesses expressed ideas about the future of tourism growth that included commercial-type attractions. These types of attractions are not in line with the endogenous resources of the area and included: miniature golf, bowling, water parks, and zoos all of which are not traditionally a part of either Goris or Armenia’s culture.

Large, commercial and culturally foreign attractions are far away from what the tourists said they came to experience. Local and foreign tourists alike felt attached to the region and its hospitable people, were impressed by local simplicity and the traditional roles in families. They touted the lack of commercial exploitation and the beauty of nature. They talked about the local mulberry vodka and were caught up in the mysterious cave cities and thoughts about how life might have been when the people lived in caves. In contrast to attractions businesses suggested, tourists and community members offered the following suggestions for resource development: remodeling of down-town and its water fountains, the addition of cafés and clubs where tourists could mingle with locals in the after-daylight hours, events and festivals unique to the culture and history of the area, and showcasing of local food and agriculture.

The experiences and expectations given by tourists are evidence of Mitchell and Reid's (2000) observation that rural tourists are "lured to a new destination by its unique natural and cultural features." This is an important fact playing well into the Ministry's idea of CBT development in the regions. It is clear from the interviews that although some ambitious business owners may be looking a bit beyond the mark, in general most stakeholders are aware of their basic tourism resources and that those resources are based upon true local resources. If exploited carefully and systematically, stakeholder groups will learn to recognize future development opportunities that are endogenous and create the unique and irreplaceable competitive advantages the region needs to stay ahead of the curve.

#### 5.2.4 - SUSTAINABILITY

Sustainability in this study was understood mainly from an environmental and ecological standpoint. In this context, sustainability had by far the most diverse responses among actor groups. It was also among the lowest valued dimensions collectively. Responses about sustainability were typically negative except in the community interviews where most residents were accustomed to their surroundings and found them to be in adequate condition. Typical responses indicated that the sites generally had little or no management and were often in poor structural condition and dirty. Many people noted the absence of waste management, vandalism and theft at historic and natural sites.

The variation in responses among actor groups is likely a function of education, culture and empowerment. Each of the stakeholder groups seem to have their own view of sustainability as it concerns the preservation of natural and historical tourism sites. Saxena et al. (2007) suggest that residents and stakeholders become more active in environmental and other issues when they are better educated and have more choice and accountability. Other studies reveal that as these groups feel more empowered they tend to be more concerned with their natural and cultural heritage and begin appreciating those resources more and this appreciation leads to better stewardship (Canoves et al, 2004; UNESCO 2008). It follows, therefore that, as we see in this case, tourists recognize the sustainability issue better than most the other stakeholders as rural tourists typically fit the profile of higher-income, well-educated individuals (Canoves et al, 2004). The fact that businesses have valued sustainability the lowest is probably due to their often very personal interaction with tourists and

their desire to ensure the enjoyment of the tourist experience. The poor conditions of the environment and tourism sites minimizes the marketability of the area and the satisfaction of paying guests leading to decreased profit potential. The shortcomings of scale are evident in this dimension as well. Lack of infrastructure and low economic activity makes environmental protection difficult at best. Institutions, the second highest valuator of sustainability, defended their positive valuation through evidence of volunteerism and the education of the youth groups. Organizations like Aarhus, the local government, externally funded NGOs and aid agencies are beginning to make inroads into the minds of the public through education about environmental protection. Despite the good nature of this movement, experts suggest that environmental protections that is approached in an ad hoc and donor-assisted way may be more concerned with short-term outputs rather than the long-term commitments needed to turn sustainability from wishful thinking to reality (Tosun and Jenkins, 1998). The environmental movement in this study small and there is a danger that if environmental issues aren't addressed in tandem with scale and infrastructural concerns, increasing demand on already poor public services and resources may endanger the sustainability of both the tourism industry and the environment (Easterling, 2004; Gannon, 1994).

#### *5.2.5 - EMBEDDEDNESS*

Embeddedness is a unique valuation that is essentially the intersection of endogeneity and complementarity in that it is concerned with the importance of tourism in the culture and life of the region. Embeddedness was valued third overall and represented a tight variation among stakeholder groups. Community

members valued it the highest which is encouraging as embeddedness is a community-based virtue that lends well to rural tourism development. This may be explained by the response of many community members indicating that tourism played a significant role in Goris region during Soviet times. Goris has the kind of resources that fit well into the “sanatoria” basis of tourism in Soviet times. The cool clean air in a beautiful mountain setting, combined with mineral waters that were said to have healing powers made Goris a popular leisure place for large groups of Soviet workers. While workers were there they also spent time taking in the cultural, historical, and artistic wealth of the area. Community members also pointed out that Goris is a popular escape from the heat and hustle and bustle of Yerevan in the summer months. Residents also expressed their interest in the tourists that were coming to visit, “We interact even if we don’t know the language, we are as interested in the tourists lives as they are in ours.” Tourists said, “We like to interact and play with the children,” and, “Goris people seem friendly and they are always the first to say hello when you pass in the street.” All of these statements indicate a substantial level of embeddedness.

The embedded role tourism seems to play in the community’s life is important and encouraging. In Easterling’s (2004) study about residents’ perspectives in tourism development he asserts that the way in which travelers are treated by the host community is one of the most important factors of attractiveness for a rural destination and is an important measure of pleasure and enjoyment to the tourist. This tendency for residents to take interest in visitors should be built upon. If community participation is a priority and

encouraged properly in these early stages of development it will play a critical role in the integration of tourism creating intangible tourism resources that can lead to strong competitive advantage (Mitchell and Reid 2000; Stamboulis and Pantoleon, 2003; Tosun, 2000).

#### *5.2.6 – COMPLEMENTARITY*

Complementarity is a measure that deals mainly with how much benefit the local community experiences from tourism. Interestingly, complementarity was valued second highest overall representing a high level of local buy-in. As a measure of how much locals benefit from tourism it is especially interesting to note that community members believed they received more value from tourism than tourists and businesses did. Evidence from the survey text suggests that the higher valuation among residents comes from a realization of non-monetary benefits. Some examples of these benefits included statements like, “I feel personally that I do benefit in my character more than physically or financially,” and “I don’t really benefit personally but I am proud that guests want to visit.” Institutions also felt that the community benefited the most and offered evidence including: families hosting visitors in their homes, increase in local cultural events, city beautification projects, city lighting, relocation of refugee accommodation, free tickets to theaters, and one tourism institution, Aarhus, offers free internet to the public in their office.

At this exploration stage of tourism development, the scale of tourism seems to be comfortable to local residents and they are seeing a positive outcome. In this dimension particularly, it was clear that as Easterling (2004) observed, the more involved and knowledgeable residents were the more

positive. Less knowledgeable residents only recognized the financial benefits of others and denied personal benefit. Developers need to be cautious at these beginning stages and be sensitive to local attitudes by including the community in planning. In this way, as tourism grows residents will be more likely to appropriately weigh the cost vs. the benefit of tourism and maintain their optimistic views (Canoves et al, 2004; Easterling, 2004).

The process of maintaining local benefit is better understood than it was in the past. Whereas it was traditionally assumed that economic growth from tourism would filter down to all of society, there is a consensus among modern rural development policy experts that in order to ensure complementarity of tourism growth, measures must be centered around poverty reduction (Telfer, 2009; Tosun, 2000). Complementarity is especially important in this situation as local benefit is the main purpose for the Ministry's interest in CBT. Experts agree that participation of local residents should focus on educational mechanisms that garner participation from various social groups. These efforts need to be deliberate and take into account the long-term interest of society and their values from the beginning so that this support will help offset the tendency of more mature tourism to edge out less experienced and undercapitalized local businesses (Tosun, 2000). As tourism develops, community participation will become more important to ensure their benefit when the destination becomes more popular.

#### *5.2.7 - EMPOWERMENT*

The notion of empowerment is perhaps the most important factor in locally beneficial tourism development. It concerns the ability of local people to



influence the development process and underscores the importance of their involvement. However, according to the data, it is one of the most problematic for the Goris area. Empowerment was valued just slightly above scale as the second lowest dimension for the 4 actor groups. Businesses were the least impressed with empowerment. They illustrated this through statements like, “Some people are protecting profit potential,” and “The free market should be promoted but local authorities don’t think that it is important.” Community members also hinted to lack of political control when many of their answers to the question, “Who will likely propel tourism development in this area,” cited not local leaders, businesses, or institutions but “the Marzpet”. It is no secret locally or nationally that the Marzpet (or the head of the regional government) has strong control over the majority of economic and political activity in the entire south of Armenia.

The influence of a very powerful local leader is not uncommon in transition economies and especially in very rural, frontier type areas like the south of Armenia. After the fall of the Soviet Union there was a vacuum of leadership as the hierarchal system broke down and former republics became independent. All over Armenia, but especially in the very mountainous and rugged South, an informal type of social structure grew out of the necessity to meet basic societal needs. This situation confirms Tosun’s (2000) assertion that community control is not the default social system but that there is an inherent tendency for local elites to usurp power and alienate residents. Because of this, it is often argued that although controlling and monopolistic governments are not optimal, decentralization is risky because locals may not be able to shoulder the

authority and responsibility of development and that their inefficient use of this power may expose them to the exploitation of (often foreign) interested individuals and groups (Blackstock, 2005; Tosun and Jenkins, 1998).

The consensus among rural tourism experts is that there is a trend toward local empowerment but that planners must understand that this type of system must be built strategically through specialized education and training in the presence of strong governmental support. As the private sector gains experience and confidence, there needs to be a system of transition where the government slowly takes a more facilitative and flexible role helping to create and maintain an environment conducive to locally beneficial growth (Jenkins, 1982; Tosun and Jenkins, 1998; Tosun, 2000).

Community involvement even in developed countries is problematic so the difficulty is even more apparent in developing and transition countries like Armenia where community participation in planning is not a social norm. Blackstock (2005) suggests that the main shortfalls of CBT are tied to misunderstandings about the concept of community involvement. She points out that communities are made up of diverse groups who need to be empowered through actual involvement in tourism rather than just being encouraged and convinced about why they should accept change. The responses given by local actor groups in the Goris region suggest that tourism is still in the very beginning stages of development where most of the local businesses are locally owned and operated. This is a unique position that if exploited early on may allow for locals to set their own integrated plan for development through group entrepreneurship (Gannon, 1994).

If developers include locals early in the planning process, problems of unmet expectations, excessive foreign dependency, and power relations will give way to stronger plans and better implementation (Blackstock, 2005; Brohman, 1996; Easterling, 2004; Mitchell and Reid, 2000). Mitchell and Reid (2000) suggest that the development of such a coalition is most likely to be built around a local agent who has trust and stature in the community and has the general well being of society at heart. Tosun (2000) suggests that this local champion might not be an individual but may be an NGO as they are typically closer to the people and their motivations are in the interests of the poor. Once this person or group is identified they must be trained on how to employ resources in such a way to maximize local benefit and then be supported and regulated to preserve quality of life for the locality.

## CHAPTER 6

### CONCLUSIONS

#### 6.1 – CONCLUSION

As discussed in the literature review, rural tourism holds the promise of becoming an important economic activity in Armenia. In the context of both economic and social transition, sustainable tourism development must take into account the interworkings of tourism resources and stakeholder groups. The results of this study of tourism integration provide valuable insights into the opportunities and constraints of community-based rural tourism in the Goris region. It is clear from the evidence that tourism in Goris is in the early exploratory phase. This is an important realization as it presents a unique starting point for the development of true community-based tourism that, in fact, benefits locals. A well thought out, focused and strategically implemented approach to development has a high likelihood of success if approached systematically and is appropriately geared towards the specific needs of the stakeholder groups mentioned in this study.

All the modern research suggest that a gradual, methodical and locally explicit plan pioneered and implemented by a well versed, governmentally supported local champion (individual or organization) can be successful even in the most difficult circumstances. This approach must be deliberate and must be intent on strengthening of local weaknesses and the creative, innovative and sustainable exploitation of local resources and strengths with the unmistakable overarching goal of poverty reduction. It is clear from this analysis that local strengths are in endogenous natural, human, and historical resources,

embedded community valuation of tourism, and complementarity. Local weaknesses include: accessibility, inadequate infrastructure, information disparity and environmental stewardship.

Armed with clear, reliable, and comprehensive information found in this foundational study using the most up-to-date evaluation methods, planners should be able to proceed with confidence strengthened by realistic expectations of the potential for rural development through tourism. The reader can be confident in the efficacy of these study results because they are based on a dynamic and inclusive methodology. Evidence from other studies indicates that the difference between positive and negative effects of tourism development are strongly dependent on the scale of analysis and the perceptions, interests and values of stakeholders and researchers (Telfer, 2009). This study has implemented a methodology created to address all of these important concerns.

The long-term goals inherent in community-based tourism philosophy all fit well into the varied initiatives in tourism and other economic development currently underway in Armenia. Poverty reduction and geographical dispersion of economic benefit are both core fundamental outcomes of tourism development in this region. Economic potential in tourism development for the whole region is substantial enough to justify the investment of funds needed to remove barriers.

In conclusion the author emphasizes to local leaders once more the necessity of clear expectations as defined in this work and the absolute importance of involving all local stakeholders in a meaningful way, tailored to their own unique concerns and viewpoints as revealed in this study. Although

this approach may represent a higher investment of time, energy and finances up front than a traditional development plan conceived in the marble halls of State government, it is the only way to produce a CBT product that will pay off in local growth and benefit in the future.

## *6.2– RECOMMENDATIONS*

Recommendations are a summary of the results and discussion presented on each of the seven dimensions of tourism in Chapter 5. For more in-depth information please see the subsections of Chapter 5.

### 1. Networking:

There are two main areas of networking that need to be addressed, institutional networking and promotional networking. Institutional networking refers to linkages between local entities themselves and linkages between local entities and national and global entities. Relationships and trust between Yerevan tour operators and local service providers are weak and typically informal and cooperation between local providers and supporters are the same. Distrust and competitive protectionism are minimizing service quality to tourists and carrying capacity. Building these relationships can help create a more seamless and professional tourism product. Promotional networking refers to the information available to guide tourists' decision-making and access to services. An effort to better utilize technology and signage will help. Also, a tourism center that is overseen by stakeholders themselves and not just the local government will be more efficient. Some innovative ideas on promotional networking for rural tourism can be found in Stamboulis and Pantoleon (2003).

## 2. Scale:

Scale is possibly the most problematic of the dimensions for Goris as major weaknesses are centered mainly in the lack of appropriate infrastructure particularly in signage and roads. Large investments may be necessary to remove these barriers. This is an issue that must be discussed and supported by the central government. However, when discussing this issue and developing solutions attention must be given to the appropriateness of these solutions to the tourism resources of the area. Care should be given to match improvements with the carrying capacity of the area and also to preserve the rural, natural and quaint feel that draws tourists to this area.

## 3. Endogeneity:

The strengths of endogeneity are obvious and need to be the center of the tourism development and marketing of the area. Investment should be directed to products based on the rich natural, cultural, historical, and architectural resources of the area. Local businesses especially could be educated in the importance of tourism products that are based on local resources and how they might be able to profit from an investment in activities that exploit these resources more effectively. Work could be done to expand tourism offerings based on local food and agriculture.

## 4. Sustainability:

Environment education of the younger generations seems to be a current focus in the area. This education is an essential long-term process that can encourage future protection. Other community member and institutions could benefit from education about environmental stewardship. Increased

awareness supported by local government is the key to future sustainability.

The environmental movement in this study is small and there is a danger that if environmental issues aren't addressed in tandem with scale and infrastructural concerns, increasing demand on already poor public services and resources may endanger the sustainability of both the tourism industry and the environment.

5. Embeddedness:

A focus on transparency and the inclusion of the community in the development process is key to the preservation of the currently positive level of embeddedness in the Goris area. The community is most likely to be actively involved in supporting tourism if they believe their role is important. Local leaders and developers can ensure community involvement by building trust through inclusion.

6. Complementarity

Community members have a fairly positive view of tourism from a cost vs. benefit viewpoint. This is, unfortunately, not true of many more developed tourism sites. Care should be taken to ensure local benefit to preserve the positive view of the community. Beautification and renovation of the community will likely continue to produce positive public sentiment towards tourism if approached, again, with the inclusion of community input. When garnering investment for improvements care should be taken not to edge out local businesses through the attraction of large, well-capitalized international companies. Care should be taken to preserve local ownership as much as possible. Policy makers and developers should remember that cost vs.



benefit will not automatically stay positive as tourism development that is not managed well can begin to alienate locals.

#### 7. Empowerment:

Empowerment is likely to be the most difficult issue to solve for this area.

Local elites have held local control for a significant amount of time and this is not likely to change quickly. Education and the building of leadership

capacity and skill will be important to the empowerment of rural people.

Education must be provided by experts who have a long-range plan and who can provide continuity. Governmental and expert support will be necessary

to build capacity at this early stage of development. Care must be taken to preserve local control through this process and plans should be made to

phase out macro-control and governance over the long term. Local involvement needs to be meaningful and real at a grassroots level.

Empowerment must be a deliberate and will require dedication and patience.

For ideas on how to follow up with planning efforts after this study please consult the work performed by Bousset et al (2007) regarding decision

support systems development. This study was performed in concert with IRT assessment to insure appropriate institutional implementation structures and

strategies that can integrate the views and coordinate the actions of stakeholder groups.

Following these recommendations will help to ensure that from the beginning developers will include local stakeholders in the planning process and realize the substantial benefits of doing so (Easterling, 2004). Efforts to formulate tourism strategies based solely on the assessment of tourism

numbers or revenues have been largely ineffective without the inclusion of local perspectives (Canoves et al, 2004). Policy formulation and implementation strategy must be based on local parameters and resources (Cawley, 2008). A plan created in this way will be socially and culturally appropriate and will be based on long-term success factors and basic principles of education and development rather than the typical “once over” development effort (Tosun and Jenkins, 1998; Tosun, 2000).

Attention to the subtleties of a locality is the key to the creation of a unique and competitive tourism product and circumvents the pitfalls of tourism development which Manyara and Jones (2007: 638) define as: “lack of basic skills, poor management, bad partnerships, poor leadership, lack of reinvestment and maintenance, petty politics, elitism, lack of exit strategies for external intervention, and lack of transparency.” Focused discussions about the seven dimensions of tourism reported here can provide the benchmarks needed to guide an effective discussion of tourism development in Goris and can be a template for tourism assessment and development in other rural regions of Armenia and elsewhere.

### *6.3- LIMITATIONS*

Limitations of this study included: survey sample size, survey length, translation loss, perceptual distortion among actor groups, and objectivity and comparability in the analysis methodology. If we would have had a larger budget and time frame we could have decreased the error margins by including a larger sample size, hiring a professional translator, and sampling another

region so the actor group responses included a larger variety of responses to even out response scaling problems and weaknesses.

## CHAPTER 7

### SELF REFLECTION

Writing a dissertation was a unique experience. I had the fortunate opportunity to do research as an undergraduate student and to write papers about my research so I thought I knew what I was up against with this project. I was mistaken. It was a challenge to perform research in a country like Armenia where data is scarce and people are not accustomed to Western research methods and ideas. Some people were sceptical about what I was doing and were not supportive. Luckily, most of the individuals I chose to interact and cooperate with were very helpful and respectful. I had a lot of help putting together my surveys and developing a methodology as I did not have previous training on qualitative research. I learned a lot about both the limitations and the strengths of qualitative research. I came to appreciate and value my methodological approach as did those I worked with to complete this dissertation.

Through my research I developed a deeper appreciation for the Armenian people and for their strengths and weaknesses as well. I thoroughly enjoyed studying tourism in such a beautiful and enchanting place as Goris. I remember vividly every person I interviewed and am grateful for their insights.

Returning home from Armenia I chose to take a job a little too soon and this dissertation took a back seat to my other life ambitions. Luckily, my major professor and my wife were patient with me while still providing strong incentives to finish up. I also felt that the research I performed had the potential to help people I cared about in Armenia. I am glad I chose a topic that I cared about as

it helped to motivate me to finish. I did not want to let down all those who selfishly supported me both in Armenia and at home. When I finally sat down to write I had so much information gathered that it was a struggle to bring it all together. I was fortunate to be able to take nearly 2 months off of work to do my writing and although it was not my preferred way to spend vacation time, I am proud of what I have accomplished here.

I wish I could say that this work was performed flawlessly but that is not the case. Were I to approach it again I would try not finish it all before moving on to other things. Some of the contacts and insights that could have added more depth to the research were lost over time. I also would have liked to have had the time to perform all the interviewing myself and to translate interviews myself also. This would have added some more consistency to the analysis and created less room for error. It would have also been helpful to replicate this study in another region to gain more comparative perspective. Despite these shortfalls, the information presented here represents a high return on investment. We gained a lot of insight through the limited resources we had.

I believe that this study has the potential to make a difference in Armenia and I feel strongly about my results and conclusions. I feel a strong desire to see this research through and would welcome the opportunity to be a part of its implementation. I challenge the reader to take this information seriously as I have and to be diligent in researching follow-up activities that will help ensure local benefit and poverty reduction.

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## APPENDIX

Table A.1: Value added score frequencies by tourism dimension and stakeholder group.

	<b>Ne</b>	<b>Sc</b>	<b>En</b>	<b>Su</b>	<b>Em</b>	<b>Co</b>	<b>Ep</b>
<b>Scores</b>				<u>Businesses</u>			
<b>0</b>	1	0	0	5	2	1	2
<b>1</b>	2	5	2	1	3	2	4
<b>2</b>	3	1	4	1	1	3	1
<b>3</b>	1	1	1	0	1	1	0
				<u>Tourism Institutions</u>			
<b>0</b>	0	1	0	0	1	0	1
<b>1</b>	4	4	1	5	3	2	4
<b>2</b>	3	3	3	2	2	2	2
<b>3</b>	1	0	4	1	2	4	1
				<u>Tourists</u>			
<b>0</b>	2	14	0	8	2	3	7
<b>1</b>	14	8	3	7	11	11	9
<b>2</b>	5	2	10	9	10	8	7
<b>3</b>	3	0	11	0	1	2	1
				<u>Community Members</u>			
<b>0</b>	0	6	0	3	2	1	5
<b>1</b>	15	15	1	7	5	10	13
<b>2</b>	8	4	10	6	9	10	6
<b>3</b>	2	0	14	8	8	4	1

Ne = Networking, Sc = Scale, En = Endogeneity, Su = Sustainability, Em = Embeddedness, Co = Complementarity, Ep = Empowerment. Scale of responses was 0 to 3.

## Tourists

Name of interviewer: \_\_\_\_\_

Date of interview: \_\_\_\_\_

Specific location of interview \_\_\_\_\_

### **General information about the respondent:**

*Try to get as much of this information as possible through casual conversation*

- 1) Where do you normally live?
- 2) What is your occupation:
  - a) Employed – (*as what?*)
  - b) Self-employed – (*as what?*)
  - c) Unemployed
  - d) Retired – (*from what?*)
  - e) Student
  - f) Other response
- 3) Gender (*this should be obvious*):
  - a) M
  - b) F
- 4) Age group (*use your judgment*):
  - a) -20
  - b) 20-29
  - c) 30-39
  - d) 40-49
  - e) 50-59
  - f) 60+
- 5) How many times have you been to the Goris area?
- 6) What do you expect from this visit to the Goris area?
  - a) In practical terms (e.g. good food, opportunity to take part in outdoor activities, etc.)
  - b) for you more personally (e.g. cultural appreciation, increasing knowledge, etc.).
- 7) What have you seen and what do you plan to see/do while you are here?
- 8) Why did you choose to visit the Goris area instead of somewhere else?

- a) Did you come to this region specifically or is your visit here part of a larger tour?
- 9) How long do you plan to stay in the Goris area?
- a. If more than one day, where will you stay?
  - b. How did you book this accommodation?
- 10) What sources of information have you used to find out about this region?
- a) Did these sources of information tell you what you wanted to know?
    - 2. Why?
- 11) Have you had any interaction with local people here in the Goris area?
- 12) What type of interaction and with whom?
- 13) What, if anything, have you particularly enjoyed during your visit to the Goris area?
- a) Why have you enjoyed it? (If not covered in above response)
- 14) What, if anything, have you been particularly dissatisfied with during your visit?
- a. Why have you been dissatisfied?
- 15) What, if anything, could be improved?
- a) Why do you think that? (If not covered in above response)
    - 2. Who should do it?
- 16) What is your opinion of the management of tourist sites in this region?
- a. Why do you say that?
- 17) Has the quality of the tourist sites improved in general? (If they have visited previously)
- a) If yes, how?
  - b) If no, how could they be improved?
- 18) In your opinion, who seems to be managing tourism in the Goris area?
- 19) Does the region have all the practical facilities you require?
- a. If no, what is missing?
- 20) Do you feel attached to this region?
- a. If yes, how?
  - b. If no, why? (just here to relax, can't speak language, etc)
- 21) Are you interested in the affairs of this region?
- a. If yes, which in particular? (e.g. social, cultural, economic or environmental affairs; probe for more than one type)
    - a. If yes, why?

22) Do you feel that local people have benefited from your visit?

a. If yes, how?

23) Will you maintain any connections with this region or its people after you return home?

a. If yes, in what way/ with whom? (direct contact with locals, newsletters, email, internet, radio, television broadcasts, newspapers)

**In Closing**

1) What important questions have we failed to ask you?

# Community Members

Name of interviewer: \_\_\_\_\_

Date of interview: \_\_\_\_\_

Specific location of interview \_\_\_\_\_

## **General information about the respondent:**

*Try to get as much of this information as possible through casual conversation*

- 1) Where do you live? (eg. Close to city center, village name, what type of house)
- 2) What is your occupation:
  - a) Employed – (*as what?*)
  - b) Self-employed – (*as what?*)
  - c) Unemployed
  - d) Retired – (*from what?*)
  - e) Student
  - f) Other response
- 3) Gender (*this should be obvious*):
  - a) M
  - b) F
- 4) Age group (*use your judgment*):
  - a) -20
  - b) 20-29
  - c) 30-39
  - d) 40-49
  - e) 50-59
  - f) 60+
- 5) How long have you lived in the Goris area?

## **Experience and views about tourism development and current conditions.**

- 1) First of all, what does the word tourism mean to you?  
*If the respondent doesn't understand the word tourism you will need to take that into account as you continue on with the survey by further clarifying questions.*
- 2) Do people like to visit/vacation in the Goris area?
  - a) If yes continue on with the survey.
  - b) If no ask them to explain why and thank them for their time.
- 3) Why do foreigners visit the Goris area? (to see relatives, to relax, to enjoy the outdoors, cultural activities related to rural life or Armenian traditional life, scenic beauty, the arts, food, for health reasons, etc.)
  - a) What specific sites are they coming to see?
- 4) Why do National Armenians visit the Goris area?
- 5) Why do people come to the Goris area to do these things instead of somewhere else?

- 6) Who is in charge of the places and things visitors come to do/see in the Goris area?  
*(is it the government, NGO's, tour operators, local businesses, no one?)*
- 7) Are the places that people come to see taken care of like they should be?
  - a) Why do you say that? *(think sustainability when you probe on this question)*
- 8) Do you personally invite people to visit the Goris area?
  - a. If yes, who do you invite?
  - b. If yes, do you suggest things that they can see or do in the area?
  - c. Are these suggestions based on your own knowledge or outside sources of information? (ie. Do you refer them to others for information about the area, offer brochures, etc.)
- 9) Who else invites people to visit the Goris area? *(businesses, tour operators, the local or national government)*
- 10) Have the number of visitors coming to the Goris area grown over the last 10 years?
  - a) If yes, what type of people are visiting, foreigners, locals, diaspora?
  - b) If yes, why do you think more people are coming? *(more promotion, higher incomes, more vacation time, better management of tourist sites, creation of tourist sites)*
  - c) If yes, have there been any changes ie. (positive or negative impacts) to the community as a result of more visitors? Explain.
  - d) If no, why are less people coming?
- 11) Do visitors ask you for information about local sites etc?
  - a) If yes, how do you give them this information *(from your own experience, refer them to friends, refer them to businesses, local agencies?)*
- 12) In general, who takes care of visitors in the Goris area?
  - a. Do they do a good job of it? Explain.
- 13) Do local people get involved with visitors they don't know personally?
  - a) If yes, in what ways are they involved?
- 14) Do you take an interest in what happens with visitors? Please explain...
- 15) Do you feel like you benefit personally from tourism?
  - a. If yes, in what ways?
  - b. If no, why?
- 16) Who benefits the most from tourism in the Goris area? (Tour operators, government, businesses, tourists, the Armenian church, etc.)
- 17) If you wanted to start a tourism-related businesses in the Goris area how challenging would it be?
  - a) What kind of business would it be?
  - b) What kind of help would you need to get started? (financial, training, business management, marketing, etc.)

- 18) What are barriers to development?
- 19) Apart from the tourist attractions that are currently popular, what other potential tourism resources does Goris have to offer? (Possibilities include unique cultural traditions, unique agricultural production, etc)
- 20) If tourism is going to grow and localize in Goris what needs to take place and in what order? (First, second, third...)
- 21) Who is most likely to propel the growth in these areas? (businesses, government, foreign investors, etc.)
- 22) What important questions have we failed to ask you?



# Tourism Institutions

Name of interviewer: \_\_\_\_\_

Date of interview: \_\_\_\_\_

Specific location of interview \_\_\_\_\_

## **General information about the respondent:**

*Try to get as much of this information as possible through casual conversation*

- 1) Gender (*this should be obvious*):
  - a) M
  - b) F
- 2) Age group (*use your judgment*):
  - a) -20
  - b) 20-29
  - c) 30-39
  - d) 40-49
  - e) 50-59
  - f) 60+
- 3) Organization Name and Location
- 4) Geographical areas covered
- 5) In what ways are you involved in tourism?
- 6) How long have you personally be involved in Armenian tourism?

## **General Information**

- 1) What kind of involvement do you have in the tourism industry in the Goris region?
- 2) Why do foreign tourists visit the Goris area? (to see relatives, to relax, to enjoy the outdoors, cultural activities related to rural life or Armenian traditional life, scenic beauty, the arts, food, for health reasons, etc.)
  - a) What specific sites are they coming to see?
  - b) How about domestic tourists?
- 3) Can they see/do these things elsewhere in Armenia?
- 4) Do you promote tourism in the Goris area specifically?
  - a) If yes, how?
  - b) If no, why not?
- 5) How do you interact with tourism businesses? (hotels, restaurants, other travel companies, etc.)

- 6) How do tourists make arrangements for accommodation, rural experiences, etc in Goris (Directly one to one, through a representative group?)
- 7) How much time do tourists typically spend in Goris? (a few hours, 1 day, a few days, one week?)
- 8) How easy/difficult is it to coordinate/manage tourism activities in the Goris region? Why?
- 9) Has tourism in Goris grown?
  - a) In what specific ways has it grown? *ie. more tourism businesses, number of tourists visiting, profitability, range of products.*
  - b) What do you think has been the source of this growth (or decline) *ie. More tourist interest, better networking, marketing, development programs.*
- 10) In your opinion does Goris have the potential to host more tourists? Please explain.
- 11) Who benefits most from tourism in Goris?
  - a) Explain why you think this.
- 12) Are the sites in Goris maintained like they should be? Explain.
- 13) Are these locations in better or worse shape than they were 10 years ago?
  - a) Why do you feel that way?
- 14) What are you doing to preserve the tourism sites in Goris?
  - a) If so how?
  - b) If not who does?
- 15) How do the local people feel about and interact with tourists?
- 16) How is your organization accepted by local people? Explain.
- 17) Are local people involved/interested in tourism?
  - a) If yes, how? (do they put on cultural shows, etc)
  - b) If yes, is this at your encouragement?
  - c) If no, why?
- 18) Do you take a personal interest/participate in local affairs? (e.g. social, cultural, economic or environmental affairs; probe for more than one type)
- 19) Do you feel you have the ability to influence the development of tourism in Goris?
  - a) If yes, in what ways
  - b) If no, why
- 20) How is your influence over tourism constrained and why?
- 21) What are the biggest complaints tourists have about visiting Goris?
- 22) What are the biggest complaints tourism businesses have?
- 23) What are barriers to development?

- 24) Apart from the tourist attractions that are currently popular, what other potential tourism resources does Goris have to offer? (Possibilities include unique cultural traditions, unique agricultural production, etc)
- 25) If tourism is going to grow and localize in Goris what needs to take place and in what order? (First, second, third...)
- a) Who is most likely to propel the growth in these areas? (businesses, government, foreign investors, etc.)
- 26) What important questions have we failed to ask you?

## Tour Operators/Businesses

Name of interviewer: \_\_\_\_\_

Date of interview: \_\_\_\_\_

Specific location of interview \_\_\_\_\_

### **General information about the respondent:**

*Try to get as much of this information as possible through casual conversation*

- 1) Gender (*this should be obvious*):
  - a) M
  - b) F
- 2) Age group (*use your judgment*):
  - a) -20
  - b) 20-29
  - c) 30-39
  - d) 40-49
  - e) 50-59
  - f) 60+
- 3) Nationality (If Armenian where were you born?)
- 4) Business Name and Location
- 5) Number of Employees
- 6) Business type/service provided.

### **General Information**

- 1) How long have you been in the tourism business?
- 2) How many tourists do you serve per year?
  - a) 1-50
  - b) 50-100
  - c) 100-200
  - d) 200-500
  - e) 500-1000
  - f) 1000+
- 3) How many of these are foreigners?
- 4) How do you get tourists to participate in your business offerings? (both domestic and international)
- 5) Do you promote the Goris area specifically?
  - a) If yes, how?
  - b) If no, why not?
- 6) What are foreign tourists looking for in their visit to the Goris area? (cultural activities related to rural life, rural experience, scenic beauty, rest room facilities, etc.)
  - a) What specific sites are they coming to see?
  - b) How about local Armenian tourists?

- 7) Can they see these things elsewhere?
- 8) Are the sites you visit well maintained?
- 9) Are these locations in better or worse shape than they were 10 years ago?
  - a) Why do you feel that way?
- 10) How do you insure the preservation of the sites you visit/maintain?
- 11) How do you interact with other local tourism businesses? (hotels, restaurants, other travel companies, etc.)
- 12) Do you make arrangements for accommodation, rural experiences, etc in the Goris area
  - a) If so how? (Directly one to one, through a representative group?)
- 13) How much time do tourists typically spend in the Goris area? (a few hours, 1 day, a few days, one week?)
- 14) Has tourism in the Goris area grown?
  - a) In what specific ways has it grown? *ie. more tourism businesses, number of tourists visiting, profitability, range of products.*
  - b) What do you think has been the source of this growth (or decline) *ie. More tourist interest, better networking, marketing, development programs.*
- 15) In your opinion does the Goris area have the potential to host more tourists? Please explain.
- 16) Who benefits most from tourism in the Goris area?
  - a) Explain why you think this.
- 17) How do the local people feel about tourists?
- 18) How are you accepted as a tourism business by local people?
- 19) Are local people involved in the delivery of your tourism product?
  - a) If yes, what is your relationship with them? (*level of collaboration, control*)
  - b) If no, why?
- 20) Do you feel attached to this region/people?
  - a) In what way?
- 21) Do you take an interest/participate in local affairs? (e.g. social, cultural, economic or environmental affairs; probe for more than one type)
  - a) If yes, in what way?
  - b) If no, why?
- 22) Do you feel you have the ability to influence the development of tourism in the Goris area?
  - a) If yes, in what ways
  - b) If no, why

- 23) Do you feel you have adequate control over the external affairs of your tourism business in the Goris area?
- a) Why or why not?
- 24) Would you like to expand your business in the Goris area?
- a) If yes, in what ways?
  - b) If yes, what kind of support would you need to do this? (financial, training, business management, marketing, etc.)
  - c) If no, why not?
- 25) What are the biggest barriers to tourism development in the Goris area?
- 26) Apart from the tourist attractions that are currently popular, what other potential tourism resources does Goris have to offer? (Possibilities include unique cultural traditions, unique agricultural production, etc)
- 27) If tourism is going to grow and localize in Goris what needs to take place and in what order? (First, second, third...)
- a) Who is most likely to propel the growth in these areas? (businesses, government, foreign investors, etc.)
- 28) What important questions have we failed to ask you?