



The role of tourism in economic development in Anzali Free Zone

Payman Alidustzoghi

Master of Finance Management, Islamic Azad University Of Rasht
zoghipayman@yahoo.com

Negar Ahmadi shad

Master student of Marketing Management, Islamic Azad University Of Rasht
negar60shad@gmail.com
00989115006918

Abstract

Tourism industry has got a very good position in the global level and is the third job and capital generating instrument after the oil industry and the automotive industry. This industry has also caused the widespread income and the closeness of nations and cultures to each other. The capabilities of tourism industry has made everyone believe that this industry is shortcut for the economic development in developing countries and producing wealth in industrialized countries. The development of the tourism industry, particularly for the developing countries, including Iran which is confronted with problems such as high unemployment, limited financial resources and single-product economy, and also rich in natural scenic, archaeological, historical, and entertainment pilgrimage, is of great importance. According to what has been said, this article investigates the role of tourism industry in the economic development of the free zone. The research method is descriptive and the statistical population is comprised of the staff of the Free Zone, from among which 400 were selected through random sampling. A questionnaire was used to collect the data, and Pearson and Spearman correlations were used to analyze the data. The results indicate that there a relationship between tourism and economic development.

Keywords: tourism, the effects of tourism, sustainable development, economic development, residents' support from tourism



Introduction

Economic growth is disheartening in most developing countries. With a slow growth, the production ratio is declining in relation to the comparable countries. The economic growth can have a lot of advantages and disadvantages and that's why all the great economies aim economic growth and development as one of their purposes despite all differences they may have with each other; but it must be considered that achieving high and sustainable economic growth requires the recognition of factors influencing it. Among the different factors affecting the growth and economic development, tourism industry is one of the factors the expansion of which causes significant success for some countries due to the environmental, cultural, social, political and economic effects.

Tourism, is an industry which has taken a large share of the world's economic activities and has allocated over a third of the world's trade services according to our calculations (World Tourism Organization, 2006). Favorable economic benefits and effects of tourism, affects all economic sectors; so that in addition to laying the groundwork for the development of infrastructures, generating income and employment for the hosts as well as providing tax revenues for the government, have been among the significant effects of this industry.

In recent decades, the total number of global tourists have significantly increased; so that from a number of 25 million tourists it has reached 825 million tourists in 1950 with a rate 6.5 percent and it is expected to reach 1.5 billion tourists in 2020 (World Tourism Organization, United States of America, 2010). The tourism industry is one of the five important sources of foreign currency in four-fifths of the world countries, that is one of the first five important sources of foreign currency in more than 150 countries, and it ranks the first in 60 countries (Rezvani, 2008). In the meantime, the developing countries have not been deprived of the benefits of this industry, so that, according to Rezvani (2008), in 83% of the developing countries, tourism has been one of the most significant sources of revenue, and the main source of income in one third of the poor countries. Also, the estimates indicate that the tourism industry has allocated about 3 to 10 percent of GDP in developing countries (Hasanvand and Masoud Khodapanah, 2014)

Considering that problems such as high unemployment, limited currency resources, single-product economy, low levels of per capita income and low rates of economic growth can be seen clearly in the developing countries, these countries require rapid and sustained economic growth to get rid of such problems and as the tourism industry has been recognized as one of the most important and lucrative industry in the world, it can have a significant role to this end, therefore, policy-makers and planners of the countries, especially developing countries. The aim is, therefore, policy-makers and planners of the countries, especially the developing countries, should pay more attention to this industry as an economic development strategy.

Therefore, in order to diversify the sources of economic growth and foreign exchange earnings and creating new employment opportunities in the country, the development of tourism is of great importance; because Iran is among the top ten countries in the world in terms of tourist attractions and has a great potential for International tourism (Sabbagh Kermani and Amirian, 2000). Therefore the areas of tourism development, should be provided as a strategy in economic, political and legal terms. Considering that the North of Iran has great tourist attractions, it can take advantage of tourism in economic development. In the northern part of the country, Bandar Anzali and Anzali Free Zone is one of the very attractive tourist areas. According to the plans in recent years, every year a large number of people from all over the country travel to these areas where the tourists pay money to the host

community. Therefore an income is provided from tourism for the region which is effective in the economic development. Since this area has not been a significant source of income in the past, tourism is one of the important sources of income in the region that could lead it towards economic development. Now the question arises that to what extent is the tourism industry effective in economic development of Anzali Free Zone?

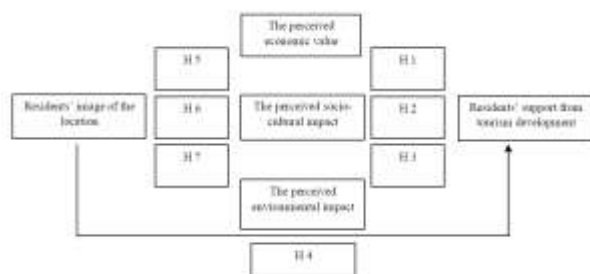


Figure 1-1: Theoretical model of the research

According to the model, the research hypotheses include:

Hypothesis 1: There is a direct relationship between the perceived economic impact of tourism and residents' support from the tourism development.

Hypothesis 2: There is a direct relationship between the perceived socio-cultural impact of tourism and residents' support from the tourism development.

Hypothesis 3: There is a direct relationship between the perceived environmental impact of tourism and residents' support from the tourism development.

Hypothesis 4: There is a direct relationship between the residents' image of the location and their support from the tourism development.

Hypothesis 5: There is a direct relationship between the residents' image of the location and perceived economic value.

Hypothesis 6: There is a direct relationship between the residents' image of the location and the perceived socio-cultural impact.

Hypothesis 7: There is a direct relationship between the residents' image of the location and the perceived environmental impact.

Literacher Review

Dritsakis (2004) has investigated the effect of tourism on long-term economic growth through Granger causality method and there was a cointegration vector between GDP and income from international tourism over the period from 1960 to 2000. Granger causality tests which were based on an error correction model indicated that there is a strong two-way causal relationship between income from international tourism and economic growth in Greece.

Lee and Chine (2008) have investigated the role of tourism industry in the economy of Taiwan in an article entitled as "structural gaps, development of tourism in economic growth, evidences of Taiwan". This paper investigates the causal relationship between tourism development, economic growth and real currency rate in a multivariate model. The results indicate that the causal relationship between tourism and economic growth in Taiwan is a two-way relationship.

Toh et al (2001) introduced new theoretical business methods in order to investigate the relationship between the development stages of the country and its tourism condition. The basic premise of this theory is that according to the travel balance, the less developed countries are generally close to the



initial state or the initial stage (net exporter of tourist) and the developed countries to the final condition or the final stage (net importer of tourist).

Zahedi (2006) in an article entitled as challenges of the sustainable development from the tourism perspective, has divided unstable tourism in terms of sustainability into sustainable tourism and unstable tourism and has introduced ecotourism to be matching with sustainable development more than the other forms.

Shayan (2007) in an article entitled as feasibility study of the areas prone to ecotourism development in Kohgiluyeh and Boyer-Ahmad province, identified the areas prone to the development of ecotourism in the province.

Mohammadi Dah Cheshmeh et al. 2008, in an article the feasibility of empowering ecotourism in Chahar Mahal and Bakhtiari province, investigated the feasibility of empowering the ecotourism capabilities in Chahar Mahal and Bakhtiari province and provided recommendations for the improvement of ecotourism conditions and reduce its weaknesses.

Azimi (2008) in an article entitled as planning the development of tourism industry and ecotourism for economic development, considers planning and the development of ecotourism industry as subjects with different aspects where tourism and local tourism must be considered further for the interaction between needs and different aspects of planning and sustainable economic development.

Taqvaei et al. (2009) in an article entitled as the role of multi-dimensional planning in the development of tourism and ecotourism of the case study of Kharw in Tabas, have introduced tourism attractions of the area and have emphasized the multi-dimensional role in the development of tourism and ecotourism in this area in order to remove insufficiencies and service amenities.

Rakhshani Nasab and Zarrabi (2009) in an article entitled as challenges and opportunities of ecotourism development in Iran, studied the effective barriers to attract tourists and provision of proper strategies for the development of ecotourism in Iran.

Light (2010), in an article entitled as the feasibility study of ecotourism attraction in desert areas has cited ecotourism as a new source of income from the sustainable development and provided ways of attracting tourists to Yazd and particularly the desert areas of the province and studied the intensive recreation zones and proper quality grade.

Ranjpour et al (1390), in an article entitled as "hypothesis", " Growth leading tourism" in Iran 1968-2009, have investigated and analyzed the relationship between income from the tourism industry and non-oil GDP, using Johansen-Juselius co-integration method. In this study, we tried to determine the type of causality between income from foreign tourism and non-oil GDP using Granger causality test based on the short-term and long-term models.

Methods

This is a descriptive analytical research based the design of the study and based on the objective, it is an applied research. The study population comprised all the experts and people involved with tourism who are active in the free zone.

The study sample was selected from among the people with economic activities in the free zone. Randomly sampling was also used and in order to collect the data, the field and library study was used, and to determine the validity of the questionnaires, the teachers' perspectives with the familiarity of the issue were used where the results of the survey indicate the validity. Initially, a pilot study was conducted including 30 subjects was used to determine the reliability of the questionnaire.



The results of the reliability and alpha coefficients led to some changes in some items of the questionnaire where the obtained a Cronbach's alpha coefficient was 0.928. In order to analyse the gathered data, descriptive statistics such as frequency, percentage, mean, standard deviation, variation range were used and in accordance with the basic premise of the study in the inferential statistics, the analysis of variance was used. All analyses in this study were performed through the spss statistical software.

Results and Discussion

Descriptive findings:

1. Residents' image of dimensions

The following table indicates the descriptive statistics of residents' image of the dimensions. As shown in the table, the items "has good restaurants and good food", "has local effective government", "has good public transport system", have respectively allocated the highest means of 4.29, 4.19, 3.91.

Table 1. Descriptive Statistics of residents' image of dimensions

Item	mean	SD	Variance
Has good restaurants and good food	4.29	1.019	1.038
Has an effective local government	4.19	1.029	1.06
Has a good public transportation system	3.91	0.992	0.984
Has interesting historical places	3.83	1.055	1.112
Provides good job opportunities	3.64	1.031	1.063
Has effective public services (eg, fire station, etc.)	3.47	1.084	1.176
Has good architecture and buildings	3.44	1.039	1.08
Is neat	3.42	1.042	1.085
Has a good weather	3.41	1.045	1.091
Is a safe place to live	3.35	1.071	1.146
Has attractive scenes	3.31	1.098	1.205
Was built up by the kind locals	3.19	1.108	1.228
Is a good place for shopping	3.04	1.124	1.263
Has a well night and leisure time activities	2.57	1.152	1.328

2. The perceived economic value:

The following table indicates the descriptive statistics of the perceived economic value. As shown in the table, the items "substructure" and "life standards" have the highest averages respectively as 4.07, 4.05 and 3.93.

Table 2: Descriptive statistics of the perceived economic value

Item	mean	SD	Variance
substructure	4.07	1.043	1.088
Life standard	4.05	1.005	1.01
Number of jobs	3.93	1.003	1.007
The income produced in the local economy	3.65	1.089	1.185
The price of ground and house	3.31	1.158	1.342



3. Support of tourism development

Descriptive statistics of the supporting dimension of the tourism development are indicated in the table below. As shown in the table the items “the local government should invest on promoting tourism in the region”, “tourism should be developed in the free zone”, “ the number of tourists visiting the free zone should increase” respectively have the averages of 3.54, 3.53 and 3.48.

Table 3: Descriptive statistics of supporting tourism development

Item	mean	SD	Variance
Local government should invest on promoting tourism in Free Zone	3.54	1.167	1.362
Tourism should be developed further in the Free Zone.	3.53	1.066	1.137
The number of tourists visiting the Free Zone should increase	3.48	1.324	1.753

Friedman test:

There were 5 variables in this study. Using the Friedman test, we investigated the rank of each of the 5 variables. As it can be seen in the table, the significance level is equal to zero and the socio-cultural impact is ranked as first.

Table 4: Results of Friedman Test

Calculated Chi	Degree of freedom	Level of significance	frequency
406.791	4	0.000	258

Table 5: Ranking average of Friedman test

Row	Item	Mean	Rank
1	Environmental impact	5.61	2
2	Socio-cultural impact	5.68	1
3	Residents’ image of the location	5.57	3
4	The perceived economic value	5.46	4
5	Supporting tourism development	5.79	5

Correlation between the dimensions:

To prove the hypothesis of this study, the Spearman correlation coefficient was used. The results are expressed in the table below.

Table 6: The Relationship between the dimensions

		residents’ image of the location	residents’ image of the location	residents’ image of the location	residents’ image of the location	residents’ image of the location
Residents’ image of the location	Spearman	1				

The perceived economic value	Spearman	**312.	1			
Socio-cultural impact	Spearman	**222.	**320.	1		
environmental impact	Spearman	*141.	**299.	**418.	1	
Residents' support from tourism development	Spearman	*137.	**299.	**398.	**556.	1
Frequency		258	258	258	258	258

Hypothesis 1: There is a direct relationship between the perceived economic impact of tourism and residents' support of the tourism development.

This hypothesis investigates the relationship between the perceived economic impacts of tourism and the residents' support for tourism development. Spearman correlation test was used in order to evaluate the relationship. The significance level of the test is 0.001 and smaller than 0.05. Therefore it can be concluded that the researchers' hypothesis is confirmed and there is a significant relationship between the two variables. And according to the Spearman value which is positive, it can be said that there is a direct relationship between the two variables, this means that the more the residents' support increases from the

tourism development in Anzali Free Zone, the perceived economic impact of tourism increases as well and since the correlation coefficient is measured to be about 1, and considering that the coefficient is 0.299, it can be said that there is a correlation between the two variables and the relationship is quite significant.

Hypothesis 2: There is a direct relationship between the perceived socio-cultural impact of tourism and the residents' support of tourism development.

As the correlation coefficient is 0.398, there is a quite significant relationship between the two variables.

Hypothesis 3: There is a direct relationship between the perceived environmental impact of tourism and the residents' support of tourism development.

As the correlation coefficient is 0.556, there is a quite significant relationship between the two variables.

Hypothesis 4: There is a direct relationship between the residents' image from the location and the perceived economic value.

As the correlation coefficient is 0.137, there is a quite significant relationship between the two variables.

Hypothesis 5: There is a direct relationship between the residents' image from the location and the perceived economic value.

As the correlation coefficient is 0.312, there is a quite significant relationship between the two variables.

Hypothesis 6: There is a direct relationship between the residents' image from the location and the perceived socio-cultural impact.

As the correlation coefficient is 0.222, there is a quite significant relationship between the two variables.

Hypothesis 7: There is a direct relationship between the residents' image from the location and the perceived environmental impact.

As the correlation coefficient is 0.141, there is a quite significant relationship between the two variables.



Conclusion

The tourism industry is among the largest and the most diverse industries in the world today. With regard to the economic impact of this industry, if a country with good cultural, natural and historical attractions, could use its capabilities and could manage the industry properly, they will witness great growth and prosperity in economy. Due to the high capacity of our country in attracting international tourists and the direct and indirect effect of this industry on various economic sectors of the economy, the development of the tourism industry could be one way to get rid of single-product economy and achieve sustainable development. Job creation is one of the most important means of reducing unemployment, poverty and inequality and providing security; therefore, an increase in job opportunities in regions that suffer more from unemployment and poverty, is more important. Therefore, as competition, partnership and meritocracy prevail in the society, the power of that community to attract people, capital, establishment of welfare and security, innovation and job creation will increase and thereby the economic growth and material welfare of the citizens will accelerate. Improving the level of employment, welfare and security is the result of correct management. But the investment to build a career in tourism services is lower in comparison to other industries. Since most of the labor force in tourism services cannot be replaced by technology, tourism development provides areas of employment and reduces unemployment. Since the emphasis of the research is on tourism development, with respect to the assumptions and results of the research questionnaires it was found that the development of tourism in Anzali Free Zone could be a key factor leading to production and increase employment and income in the region.

Recommended Actions:

- The development of tourism products (tourism activities)
- Development of tourism market
- The development of substructures, access and telecommunication services.
- Development of services and accommodation facilities

Research proposals

- Investigating various aspects of the environmental and social impact of tourism development
- Investigating employment in the region compared to other regions.
- A comparative study of the similar areas for long-term and short-term planning according to regional needs

References:

- Azimi, A. (2008). Tourism and ecotourism development planning for economic development, *Iran's Tourism Industry Conference in the context of globalization*, 1, Firouzkouh Azad University Publications
- Dritsakis, N. (2004). Tourism as a long-run economic growth economic growth in the Korean economy, *TourismEconomics*, 32, 1001-1009
- Hasanvand, S., and Khoda Panah, M.(2014). The impact of tourism on economic growth in developing countries, *Journal of macro and strategic policies*,6.
- Lee and Chine (2008). Tourism development in economic growth, evidence from Taiwan, *journal of policy Modeling*, 25.
- Mohammadi Dah Cheshmeh, M. (2008), Feasibility and empowering ecotourism of Chahar Mahal and Bakhtiari, *Iran's Tourism Industry Conference in the context of globalization*, 1, Firouzkouh Azad University Publications
- Nouri, J. (1389). The feasibility of attracting ecotourism in desert areas, the role of tourism in economic development, *Eqtesad-e Shahr Journal*.
- Rakhshani Nasab, H. R., and Zarrabi, A. (2009). challenges and opportunities for ecotourism development in Iran, the role of tourism in economic development, *Eqtesad-e Shahr Journal*.



- Ranjpour, R., Karimi Takanlou, Z., and Najafi Nasab, M. H. (2011). Investigating the hypothesis "the growth-leading tourism" in Iran during 1968-2009. *The Journal of Rah-e Andisheh Economic Research*, 115-134.
- Sabbagh Kermani, M and Amiriian, S. (2000). Evaluating the economic impacts of tourism in Islamic Republic of Iran Using Input – Output analyses. *Iranian journal of trade studies*.
- Shayan, S. (2007). Feasibility of the areas prone to ecotourism development in Kohgiluyeh and Boyer Ahmad, *Iran Tourism Conference in the context of globalization*, 1, Firouzkouh Azad University Publications
- Taghvaei, M., Ehsani, G., and Safarabadi, A. (2009). The role of multi-dimensional planning in the development of tourism and ecotourism; a case study of Kharw area in Tabas, *Iran Tourism Conference in the context of globalization*, 20 (3) :45-62.
- The World Tourism Organization of America (2010).
- The World Tourism Organization (2006). National and regional tourism planning. Translated by Mahmoud Abdullah Zadeh Ph.D.
- Toh, R.S., Khan, H., and Koh, A.J. (2001). A travel balance Tourism and Economic Growth: a Panel Data Approach.
- Zahedi, Sh. (2006). The principles of sustainable tourism and ecotourism, *Allameh Tabatabai Publications*, 1st edition.