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## **Geo-economics and Considerations on the Tourism Industry with Emphasis on Historical Cities Tourism and Ecotourism in Iran**

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### **Abstract**

Considering its many potentials in the tourism industry, Iran has constantly been among the leading countries seeking development in this industry. Iran is a country with many attractions in different tourism sections including cultural, urban, and monument tourism, and ancient places as well as ecotourism, and water tourism etc. for tourists. However, Iran has never economically prospered regarding its potentials in this industry as compared to its rivals. Thus, the main objective of this work is to list the main necessities of harnessing economic power and required instruments to fulfill this goal. In addition, the tourism industry is discussed as an important strategy for reaching this power, and the Iranian wildlife is introduced as an intact environment. It is also discussed that what economic benefits are obtained through using this tourism industry. It must be noted that the main emphasis of this work is on urban, monument tourism, ancient places, and ecotourism as a case study in two Iranian provinces. Finally, the required analyses are performed considering the affinity between these two sections and two provinces.

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Results indicated that while Iran having the highest percent of growth compared to the two other countries active in this area, however this advantage has not significantly affected the GDP in Iran, and Iran has not been able to improve its geo-economic capacity in this area.

**Keywords:** Geo-economics; Tourism Industry; Ecotourism; Historical Cities Tourism

## **1. Introduction**

Tourism is among the industries with a fast increasing growth in the global economy [1]. This growth is used by some people to provide economic resources and, by others, for reaching both economic growth and higher economic potentials and playing a role in local and global arenas. Playing this role implies moving from a political world to an economic world [2]. Thus, it can be claimed that having economic power in the current world is among the requirements of the global community. Gaining power demands further endeavor based on the potentials available for each country in various economic sectors. One of the most important sectors in the today's economic world is the tourism industry. Hence, the main objective of this work is to introduce the concept "geo-economics" and offer a short brief about its various parts, as well as introducing the tourism industry with focusing on four Iranian provinces. In addition, we will address whether Iran has been successful in terms of tourism industry in this four provinces in comparison to its counterpart countries. The data used in this work were gathered through a desktop study. Besides, the applied research method was descriptive-analytical

## **2. Material and methods**

### ***2.1 Concept of Geo-economics***

The term "geo-economy" is among the newest discourses introduced within the last 50 years in political geography [3]. By ushering the geo-economic era in the early 21<sup>st</sup> century, some strong locations received higher interest (geo-economic position of Iran and some considerations about gas exports, 2010) [4]. Since global powers use their tools for progressing their goals and achieving more power in regional or international scales and, in other words, considering that geo-economic location implies importance of the political and economic resources in the capitalism sector [5], today, different definitions are described for geo-economic. A definition expresses that "geo-economic evaluates the relationship between economy and geography based on spatial, temporal, and political aspects". Edward Luttwak, the American economist, and Pascal Louvert, French economist and politician [6], firstly introduced the concept geo-economic. Another definition for geo-economic is that "geo-economic explains the economic power of the nations about the relationship between economy and geography". Geo-economic is developed whenever the economic potentials of nations are completely or partially around the geographic issues" [7]. This term is rather a new strategy, which has replaced another term, "geo-strategy" within the last 50 years, and enables governments to reach their goals [2]. In addition, Geo-economic is a new communication medium for governments, which realizes national interests of the nations. Such spontaneous and immediate performances are supported in all aspects [8].

Therefore, it must be noted that economy and politics are two interconnected and inseparable issues [9]. Furthermore, the term “geo-economic” is called as a new form of power in international communications [8].

This is in the geo-economic of the new era that the role and performance of the nations all rely on their properties and economy. Such a role and performance in geographic areas, which is also a determining factor in mass strategies of the great powers and, to be precise, determines their policies, depends on their economic potentials. Through these potentials, the role of regional player(s) is facilitated using the global economy either as the producer or distributor, and the distribution and complimentary chains of this system is interconnected [7]. Some sectors of the economy in which geography plays a key role are geography of agriculture, resources, communications, transportation, and industry. Different industries are addressed in the present global economy. One of the newest industries in this sector is the tourism industry, which now shares above 10% of the Gross Domestic Product (GDP). By increasing the welfare and fast technological developments, today, tourism is considered among the most important global industries [10]. Tourism is a complicated phenomenon, not easy to be explained concisely. The first conjecture about tourism is its structure, which exists in all global, regional, local, and national levels. Many sectors, including transportation, housing, attractions, and business etc. deal with tourism directly and indirectly. Tourism, by itself, is divided into indoor and abroad sections [10]. Asia offers the most clear and promising tourism horizons particularly in its developing countries [11].

The focus of neoclassical economists of the 19<sup>th</sup> century was on microeconomics. However, after the World Wars I and II, and during the cold war era, it was macroeconomics which was brought to the light [12], as nowadays the majority of Nobel prizes are allocated to macroeconomic fields. Hence, tourism is considered among the most profitable industries in the contemporary economy [12].

The increased bill income, investing, improved quality of life, and the regional economy are among the positive outcomes of the tourism industry [13-17]. Among the other strong effects of this industry, one can count enhancing the per capita GDP, improving domestic gross product in the global economy, and employment in both direct and indirect ways.

### **3. Tourism potentials of various parts in Iran and its examples**

#### ***3.1 Ecotourism***

The term “ecotourism” is composed of two words eco- and tourism, which are complementary to each other. The concept was firstly introduced in 1970 within a trip made to the environment [18].

Through ecotourism, tourists attempt to travel to natural habitats and intact parts of the world. The main component of ecotourism is nature. According to a definition, ecotourism is a responsible journey to nature, to protect the environment and improve the quality of life of its inhabitants. Ecotourism brings minimum harm to the environment and culture of a given area. Another component of ecotourism is anthropology, which is considered a part of cultural tourism. “Hiking” is another term that is used to distinguish traveling in nature. This term is equal to “natural tourism” introduced by the American Travelling Center. The next component is “water therapy”, which is effective use of hot spas

for treating some diseases [19]. Winter sports are another element in this concept, which involves constructing ski tracks and other facilities in mountainous regions with specific conditions. The next element is “seaside and water sports”, which seek two objectives: Watching marine resources and exploiting the water surface for water sports. For both goals, it is required to highly consider preservation of water resources for next generations.

### **3.1.1 Ardabil and Gilan**

Ardabil and Gilan are among the tourist areas in Northern Iran. These two provinces possess a large number of spas, rivers, lakes, and caves.

As a Northwestern Iranian province, Ardabil is one of the tourist spots of Iran. Ardabil is well known for its cool and pleasant climate during spring and summer. Sarein spas are among the most popular tourist areas of Ardabil, which accommodate several thousands of tourists from the most remote parts of Iran and foreign countries, particularly during summer (. Some of the important tourist potentials of Ardabil Province are, spas including Boulaghlar, Azna, Sarsabil, and Shah Boulaghi (in the Neor (Lisar) protected area, rivers including Aras, Balikhli, Ghara Su, Khayad, and Heroud Abad, lakes including Shorabil and Neor, Sabalan crater, and caves including Yakhchegan and Haft Khaneh [20]

Gilan is another province in the north of Iran with an environment covered with dense forests and a moderate climate. This province consists of the northwestern part of Alborz Mountains with dense vegetation, and west banks of the southern Caspian Sea. Because of its topography, the low areas of the Caspian Sea banks have a unique Hyrcanian climate. This area of the Gilan province is entirely wet and green. The dominant northern-southern atmospheric systems are saturated above the sea and entrapped by the Alborz Mountains, and rise towards higher elevations. Therefore, heavy precipitations are reported throughout the year in its deltas and northwestern flanks of the Alborz, and result in its rich vegetation coverage and unique climate. Gilan Province has 40 rivers. The most important river in this province is Sefid Roud. Kouteh waterfall, Komeh, Heyran (Fig. 5) , Ali Ashi Spa, Anzali swamp, protected areas of Salkeh and Siah Keshim, and Spand River etc., many of them that are nationally registered [21].

### **3.2. Monument tourism and ancient places**

This type of tourism is one of the most common forms of tourism throughout the world and has an ancient background, and is considered among the branches of cultural tourism. Indeed, ancient and historic spots are interconnected with tourism [22]. Today, this sector is considered a great attraction for economic development in the tourism industry. Archeology plays a key role for relating tourism and cultural heritages, and enables people to recognize their identity. This type of tourism was firstly introduced in ancient Egypt. To improve the success level in any tourism project, it is necessary to know the archeological potentials [23].

In this regard, Iran, with its several thousand years of history and abundance of ancient sites is considered among the most important places for tourism absorption in both domestic and foreign

modes. Two popular touristic Iranian provinces, which are even internationally known, are Isfahan and Fars.



Fig. 5. Heyran. Source: <http://www.tabnak.ir/fa/news/271039>

### 3.2.1 Isfahan and Fars

Isfahan is an Iranian historical city with many monuments and international popularity. Shahrestan Bridge, Khaj Bridge (constructed in the Safavid era), Si-o-Se Pol (Allahverdikhan Bridge), Naghsh e Jahan Square of Isfahan (Fig. 6) , Chahar Bagh Street, Gheysarieh Bazar, Neghar Khaneh, palaces including Ali Ghapu, Chehel Sotun and Hasht Behesht, Chahar Bagh School, mosques including Shah, Jame, Hakim, and Pamenar, monuments including Chehel Dokhtaran, Menar Jonban, Emam Zadeh Shah, and churches including Jolfa (Isfahan), Dank, and Saint Mary etc. There are also some other monuments within historical and archeological tourism attractions and history [24].

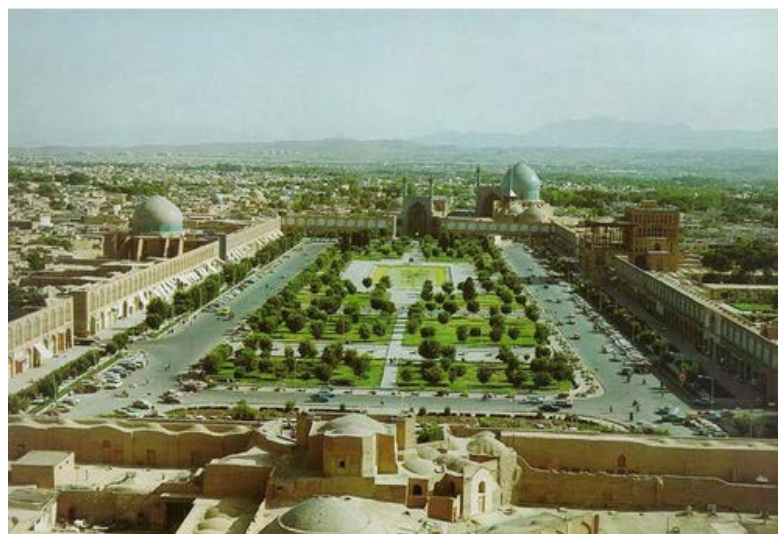


Fig. 6. Naghsh e Jahan Square of Isfahan . Source: <http://www.isfp.ir/web/tourism/444>

Fars is another touristic Iranian province, which is the Iranian cradle of civilization and culture, both before and after Islam. The important artistic works and historical monuments of this province are Persepolis (Fig. 5), Pasargad, Naghsh e Rostam, Ardeshir Altar Palace, Zahakis Castle, Zandieh, Karim Khan Citadel, Vakil Bazar, Vakil Mosque, Jame Atigh Mosque, and Eram Garden etc. Fars Province, with its several hundred and maybe several thousand years of historical background, Shiraz attracts a large number of tourists and globetrotters from the most remote parts of world [25]. It must be noted that many of these works are internationally registered [26].

#### **4. Analysis and Examination**

According to the latest statistics (2012), the gross domestic product of Iran was 1.016 billion dollars, which stands in the 17<sup>th</sup> position in the world. To improve this level towards higher rankings, it is required to commence activities in various industries. As previously discussed, tourism is among the industries with the highest capacities for improving economic status. In this part, the position of Iran and tourism and travelling share in its GDP is compared with that of Greece as a counterpart country to Iran in terms of ancient history, and New Zealand, as an active country attempting to develop itself in environmental and ecotourism aspects.

The direct contribution of travel and tourism to GDP in Iran is about 2% as compared to the 3.4% and 6.5% for New Zealand and Greece, respectively. About the tourism income (Fig. 1), statistics show 5.2 billion dollar income of Iran as compared to the 6.6 and 16.6 billion dollars for New Zealand and Greece, respectively. For the entire effect (Fig. 2) [27], it was observed that these values and their effects on GDP are 14.4, 26.6, and 40.7 billion dollars for Iran, New Zealand, and Greece, respectively. Therefore, the lower income of Iran is obvious for both mentioned parts, despite its mentioned potentials and its four-season climate. However, future estimates predict a promising future for this industry in Iran. As shown in Figure 1, in 2023 Iran surpasses one of its rivals (New Zealand) in terms of direct share of tourism and possesses a 9.2 billion dollar income in this section. In comparison are expected to be 7.3 billion dollars for New Zealand and, by far, 26.6 billion dollars for Greece. For the total contribution of travel and tourism to GDP (Fig. 2), Iran is still behind the mentioned rivals in this paper, as the income gained from these sectors are 24.6, 23.1, and 56.2 billion dollars for Iran, New Zealand, and Greece, respectively. A promising point about these statistics is the growth percentage of Iran in this sector, which implies its commitment for reaching higher growth as compared to its rivals within the future.

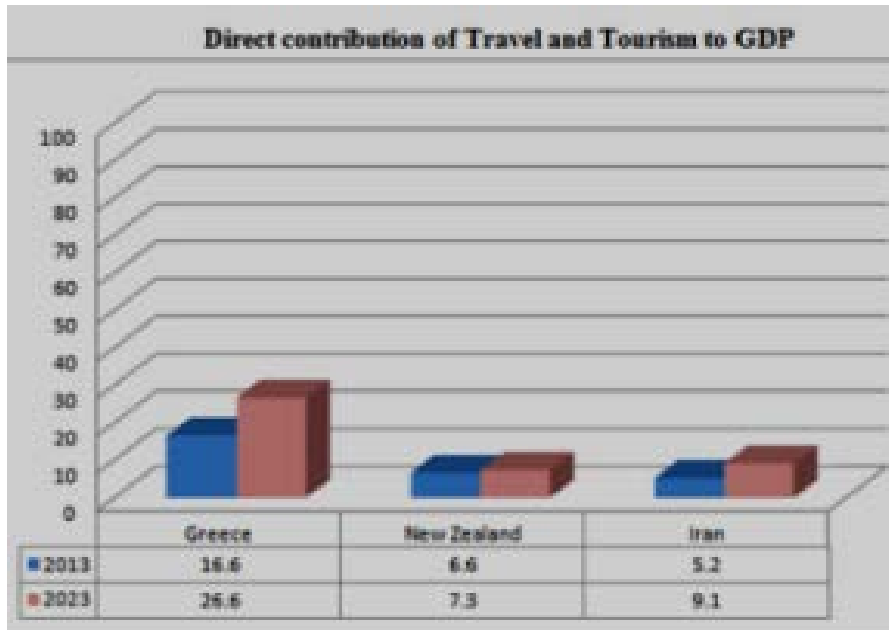


Fig.1. Data Source: www.wttc.org



Fig.2. Data Source: www.wttc.org

For the first sector, the direct GDP share (Fig. 3) of Iran indicates a 75% growth until 2023, where these values are 10% and 60% for New Zealand and Greece, respectively. For the second part (Fig. 4), (i.e. the overall effect), Iran still surpasses its rivals by far; as the growth in this part is 70%, 24%, and 38% for Iran, New Zealand, and Greece, respectively. It must also be noted that in 2023, these values are estimated to be 20%, 3.2%, and 7.9% for Iran, New Zealand, and Greece, respectively.

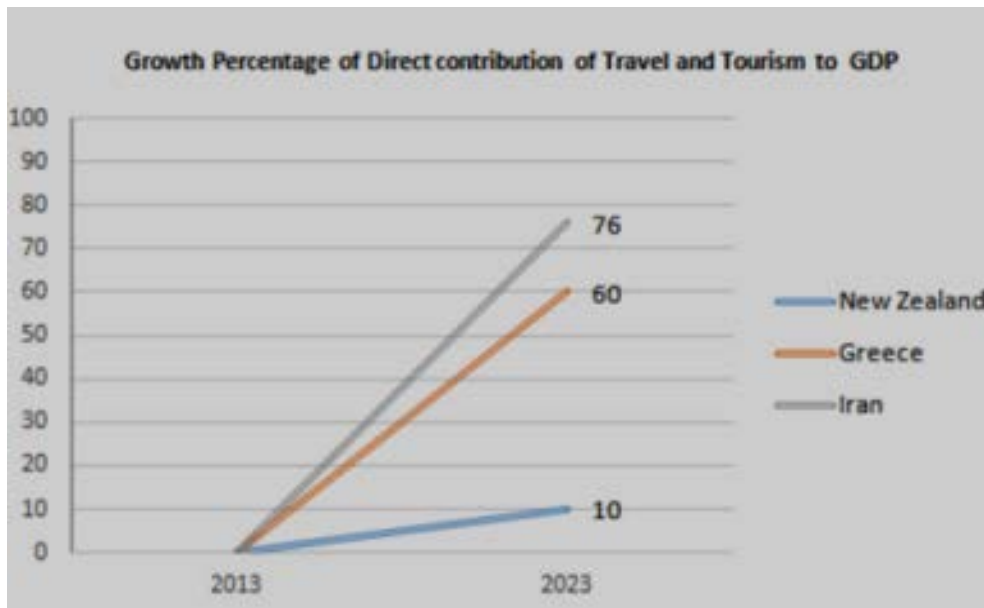


Fig.3. Data Source: www.wttc.org

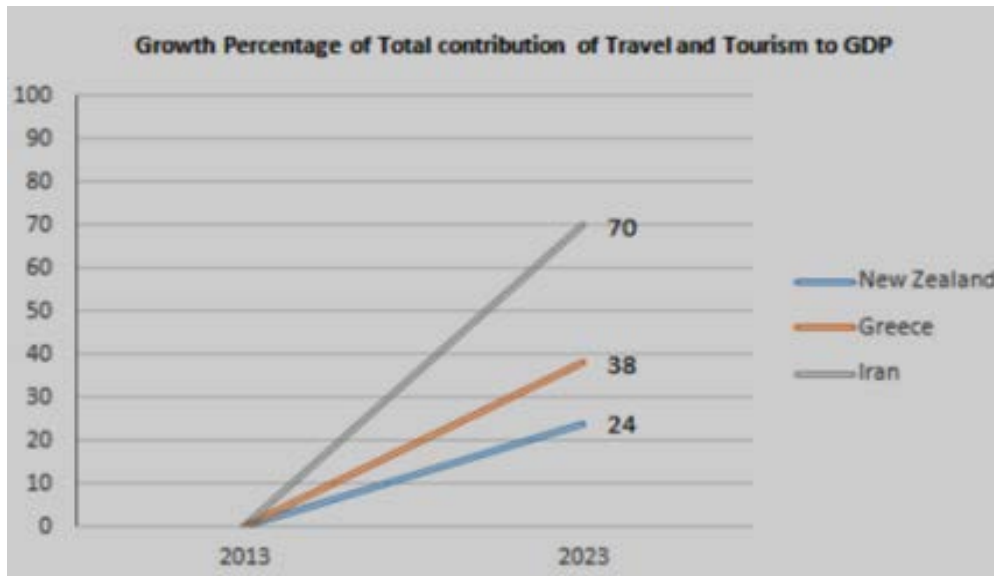


Fig.4. Data Source: www.wttc.org

## 5. Conclusions

This paper describes that Iran is a country with various potentials and possibility of further growth in the tourism industry. Undoubtedly, further growth in this industry results in higher GDP. The increased GDP would have its positive effects on employment share and per capita GDP of each Iranian, and will extend economic dominance of Iran over the Middle East, in the first step, and the in the global scale. However, the GDP share of Iran is estimated to grow from 2.2% in 2013 to 2.5% in 2023, which still is



less than those of New Zealand and Greece, which are 3.2% and 7.9%, respectively. Looking at the number of international registered historical works can easily reveal the difference between these three countries. Some solutions and recommendations for improving this share are to use effective advertisement in wealthy countries around Persian Gulf. Considering their closeness to Iran, improving flight facilities, constructing more equipped airports and more modern airplanes, and improving housing standards would certainly be of great assistance for reaching this goal.

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