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# The Role of Health Tourism on Azerbaijani Economy:

Case Study of Salt Mountain Physiotherapy Center of Nakchivan

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Tämän projektin tarkoituksena oli tutkia terveysturismin roolia Nahitševanin alueella. Tutkimuksen pääpainona oli selvittää tarkemmin etuja työllistymiseen vastauksena kysymykseen, ”miten terveysturismi luo työmahdollisuuksia Nahitševanin autonomisen tasavallan alueella”.

Tässä tutkimuksessa tiedon analysoinnissa on käytetty kvalitatiivista tutkimusmetodia, koska se on tehokas menetelmä kerätä tietoa tutkimuksissa, joissa käyttäytymistä, kokemuksia ja näkemyksiä priorisoidaan.

Teoriaosuudessa tarkastellaan perustietoja taloudesta, kansantaloudesta, matkailusta, talousvaikutuksista matkailuun, tietoja Azerbaidzanin tasavallasta, sen taloudesta ja matkailusta, ja lopuksi Azerbaidzanin tasavallan itsehallintoalueesta Nahitševanista.

Tutkimusaineisto koostui 9 haastattelusta, joista 3 matkailun asiantuntijaa, 3 vakituista asiakasta ja 3 paikallista alalla toimivaa henkilöä, kuten Salt Mountain Hotellin omistaja ja Salt Mountain fysioterapiakeskuksen lääkäri.

Tulokset osoittivat, että on olemassa suoraa, epäsuoraa ja välillisiä etuja. Jokainen kohteessa vierailut turisti kuluttaa noin 1000 euroa ja vuosittain noin 300 ihmistä vierailee määränpäässä. Niinpä tästä muodostuu 300.000 euron suora tulo.

Lisäksi turistit kuluttavat Salt Mountainissa, kun he matkustavat katsomaan muita nähtävyyksiä. Tällä tavoin he hyödyttävät näitä kohteita, liikennöitsijöitä, ostoskeskuksia, ravintoloita, vapaa-ajan palveluita ja monia muita.

Kun otamme huomioon sen tosiasian että, 99% työntekijöistä ovat lähtöisin Nahitševanin alueelta ja he maksavat arvonlisäveron, työllisyys- ja muut kulut, nämä ovat merkittäviä tuloksia Nahitševanin BKT-lle sekä edistämään työllistymistä Nahitševanin alueella.

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## ABSTRACT

Author	Ruzi Abbasov
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The purpose of this project was to investigate the role of health tourism in the Nakhivani region. The main focus of the study was to find out employment benefits more precisely to find out answer to “how is the health tourism generating employment benefits in the Nakhcivani Autonomous Republic (NAR)”.

Qualitative approaches have been implemented to analyze the data because it is an effective way of obtaining information about this kind of research when behaviors, experiences and opinions are prioritized. The theoretical part explores basic facts about economy, economics, tourism and the economic impact of tourism, as well as information regarding the Azerbaijani Republic, its economy and tourism, and eventually NAR autonomous region of the Azerbaijani Republic.

The data were collected from 9 interviewees; 3 were tourism experts, 3 regular customers of the destination and 3 were local staffs, including the owner of Salt Mountain Hotel and doctor of Salt Mountain Physiotherapy Center.

The results revealed that there are direct, indirect and induced benefits. Each visiting tourist spends approximately 1000 euro and each year presumably 300 people visit the destination. So this make 300.000 euro in direct revenue. Besides of spendings in Salt Mountain, the tourists travel to see other sightseeings, hence they also benefit those destinations, transportations, shopping centers, restaurants, recreational services and many others.

When we consider the fact that 99% of employers are from Nakhcivan itself and they pay valued added, employment and compensation taxes these are remarkable results for Nakhcivan’s GDP and its employment.

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Key words: Economy, tourism, economic impact, health tourism, GDP, employment

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## 1 INTRODUCTION

Economy is one of the main strengths of a country. It deals with production, distribution and consumption of goods and products. In the absence of good economy, no need to talk about a presence of developing state.

Tourism is one of the main sector of an economy. As one of the oldest, largest and fast growing industry in the world, tourism supports directly and indirectly several industries, in this way it empowers public and global economy.

Health tourism is one of the main part of tourism, it contributes to restore wellness of people by using proper medical technologies and services, thereby it strengthens tourism.

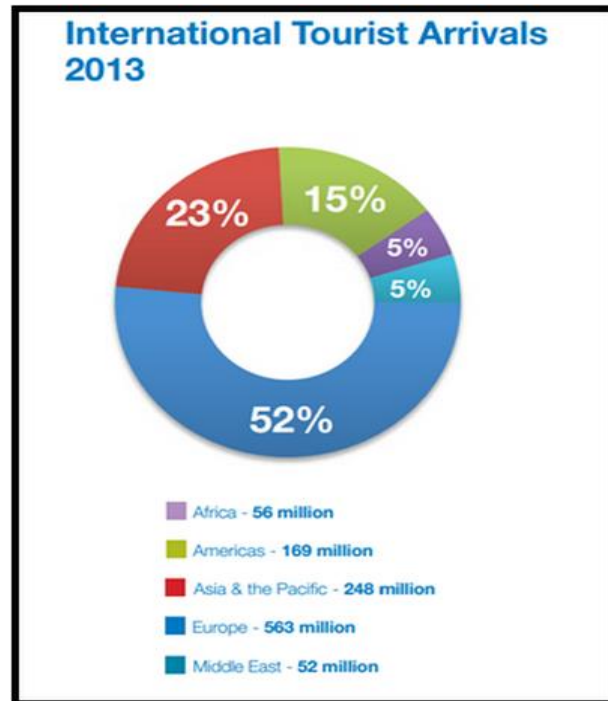
This project of will move between tree angles of a triangle: Economy, Tourism and Health tourism.

Health tourism is one of the most important branches of tourism and tourism itself is also important factor when we talk about economy.

The tourism sector was an important source of a budget for many countries for many centuries. The sector is still and also will be the key contributor to budget of the national economies.

Tourism is a very important section of the economy. It supports cultural, historical, environmental, medical, social values and at the same time accelerates foreign exchange. (Development Programme of Tourism-Antigua and Barbuda, 2003).

Even though world economy suffered in 2013 by 6 % and 55 million more tourists crossed international borders, it made global total tourist numbers 1,087 billion arrivals. This number was not expectable due to the long-lasting global economic difficulties.



*Figure 1: International Tourist Arrivals (United Nations World Tourism Organization)*

The main aim of this report is to investigate the importance of health tourism in the Republic of Azerbaijan, identify employment contributions and propose some ideas in the development of the health tourism sector in terms of employment in Azerbaijan, so that the sector would be a more significant contributor for the economy.

Another purpose of this research is to find out and lead us to a better understanding of the economic effect of health tourism in the region and country. Or in other words to offer insights into the link between health & spa tourism and economic development.

The research work is narrowed down on focusing on the case study which is “Salt Mountain” in Nakhchivan.

The topic is quite interesting to me. The reason is that I am very interested in economy, tourism and health. Summing up those interesting fields, it created up this triangle, namely the Role of Health Tourism on Azerbaijani Economy.

I presume the topic is also important for many others, because it is related health. If there is no health there is no comfort life for a person. As we know that many people suffer from illnesses. So to go a destination, to see a new environment, nature, culture, historical place and at the same time get treatment is not bad idea, is it?

The World Bank reports that, “50% of the economic growth differentials between developing and developed nations are attributed to poor health and low life expectancy” (World Economic Forum “Outlook on the Global Agenda 2015”).

## **2 BACKGROUND, RESEARCH PROBLEM(S) AND PURPOSE OF THE RESEARCH**

By solving the research question it will be contextual contribution as a result of the project. Although there had been studies on the link between Health tourism and Economic Development, as far as I know there has been no research of the Azerbaijani context on this issue. Because research findings revealed from one context may not hold in other contexts, this research particularly makes contextual contribution by discovering the unique conditions of Health and Spa Tourism in Nakhcivan and its role in economic development of Azerbaijan in terms of employment contribution.

As it was stated the purpose of this investigation is to analyze and lead us to a better understanding of the economic effect of health tourism in the country’s employment point of view. I will find the answer to “*how is the health tourism generating employment in the Nakhcivani Autonomous Republic (NAR)?*”

The research project is specified on focusing on the case study which is “Salt Mountain” Physiotherapy Center in Nakhchivan Autonomous Region of Azerbaijani Republic.

I am sure that I will strongly benefit from this research, such as

- ✓ starting to work on my first scientific/academic research
- ✓ to increase my ability of information seeking,
- ✓ planning and implementing of the planned details
- ✓ reasoning and approaching sources critically
- ✓ moreover to be an author is one of the unique dreams of mine, so in my view to start writing a thesis, such as to search info, filter and analyze them will help me much to get the basic skills of being an author.

In the beginning I was in much confusion, did not know what to do and did not have a clear vision but step by step it is going to be clearer and goes into right direction.

Still I know that the process is not going to be easy. But I also know that “the most valuable jewelry is formed under greatest pressure”.

Salt Mountain or similar business could benefit from this research as well. It might be benefitted from this research as a guideline for their new decision makings and for their future plans.

I will do my best to get information from interviews, books, e-books and scientific articles. During my thesis journey I got the advantage of the following thesis books and therefore I deeply thank the authors of the books which made my thesis journey easier.

- ✓ “How to Write a Research Proposal and a Thesis” by Mohammed E.Hamid
- ✓ “Rafting through the Thesis Process” Jorma Kakanen
- ✓ “Creative Thesis Writing” by Juha T.Hakala

### 3 THEORETICAL BACKGROUND

#### 3.1 What is Economics and Economy

“*Economics is what economists do*”, stated Jacob Viner, a leading 20th-century economist. Another definition is “*economics is the science of choices*” or for a more helpful definition “*the study of how society uses its scarce resources*” or, more snappily English economist Lionel Robbins specified definition of economics:

“*Economics is the study of the use of scarce resources which have alternative uses*”. (“Basic Economics” Thomas Sowell)

Without shortage of raw materials, labor, land, capital, entrepreneurial spirit, time we wouldn't have options regarding, how to use mentioned objects for better result, and hence no need for economics. (Bishop, Matthew. Essential Economics. Princeton, NJ, USA)

Or totally different definition had been defined by Turkish economist Pr.Dr.Haydar Bash, as saying that “*economics is the study of learning human needs by using unlimited resources.*”

At its best, economics help people to choose the right choices or leastways, it helps people to the most efficient way to use resources in the process of fulfilling the goals in order to satisfy their needs. Trades, industries, money issues and many others are learnt through economics.

As for economy, it is a system or the management process of a country in terms of production, service and their consumption. It is one of the societal factors which influence the demand of the market and the total purchasing power of the people. The economic dimensions most likely to influence the organization's production of goods and services.

##### 3.1.1 A different “Economic” Approach; Are really the sources are limited and need are limitless?

According to the approach of the capitalist and liberal systems, “needs are limitless and resources are limited”. Based on the capitalist and liberal definition, it evokes humans’ selfdom and ego. Whereas the sources that are consumed up since the initial stage of history when the human stepped in. Let us we think thoroughly that, the products which were harvested only one a year during the prehistoric agricultural era, today can be harvested nearly each month with the technological facilities of today. Those are the same in energy, in industry and in forestry. The sources are getting broader and broader and consuming up to the end is not in question. When the subject is energy, such as obtaining energy by dam, today we can procure hundred times more energy with the nuclear energy.

Can it be the end of wave energy, solar energy, wind energy, water energy? These are the eternal energy sources. To sum up the idea, the sources are limitless, the needs are limited. Needs are food and the clothes for a human being. One person cannot wear thousands of dresses in only one day and can not eat thousands of meals. These are all limited.

There are sources and they are sufficient and therefore there is no need for a war in the world for the sources. Millions of people are killed due to the unjust approaches. This new approach and definition accepted and supported by many economists in many countries such as in China, Kazakhstan, Russia, Venezuela and Brazil.

*“If we view deeply the vastness of the sources on the basis of countries, it is possible for the state to establish many and many companies for mentioned sources and to have the citizens as a partner to such sources. There are sources enough for everyone.”* (“National Economy Model” Pr.Dr. Haydar Bash)

### 3.1.2 Economic Sustainability

For sustainable growth, production, service and their consumption should always be on the run. If it is aimed to provide firm economic growth, it must

be supported by both production and consumption and both will be running concurrently.

Running of production and consumption concurrently expresses a continuous growth in economy, thereby meaning that economy is in a sustainable advance.

## **3.2 Tourism**

### **3.2.1 What is Tourism?**

If we look at etymology of tourism; the word of “tourism” is derived from the word of “tour”. “-ism” is suffix added and makes the word of “tourism”. The suffix of “-ism” meaning an “action” or a “process”.

As for suffix of “-ist” meaning an “actor of a process”. After added to the root word it makes word of “tourist”.

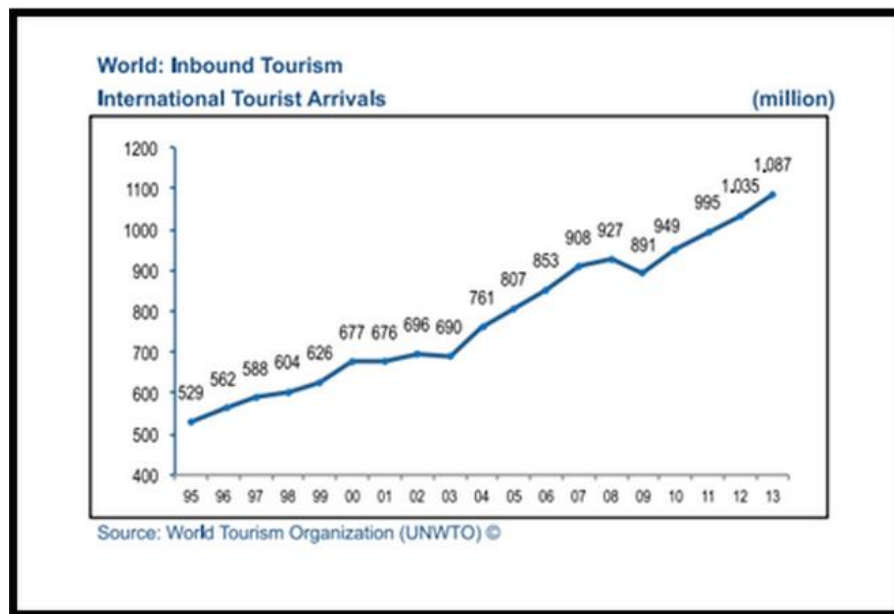
But what is “tour”?

“Tour” is the act of round trip journey, since you leave a starting place, after certain period of time when you return to the original starting place, that is a tour. Respectively somebody who takes such a round trip they are named tourist.

Thereby we are able to say that “tourism” is a process of people’s movement who travel and stay in certain destination which is outside of their usual environment and after certain time returns to their usual place. According to definition of UNWTO it is supposed to be minimum 24 hours and maximum 6 months.

Tourism is one of the oldest, largest and fast growing industry in the world. Industry continuously is the growing and leading, thus it is on top 5, based on largest industries of today. Despite economic crisis, the industry still grown up more than 5%. Such as adding 55 million more tourist and ended up overall 1,087 billion tourists. (UNWTO). Many experts did not presume nor expect such growth due to

harsh global economic challenges. As it is described in the following figure of World Tourism Organization, the tourist numbers reached to 1,087 billion, whereas 10 years ago the number was 690 million.

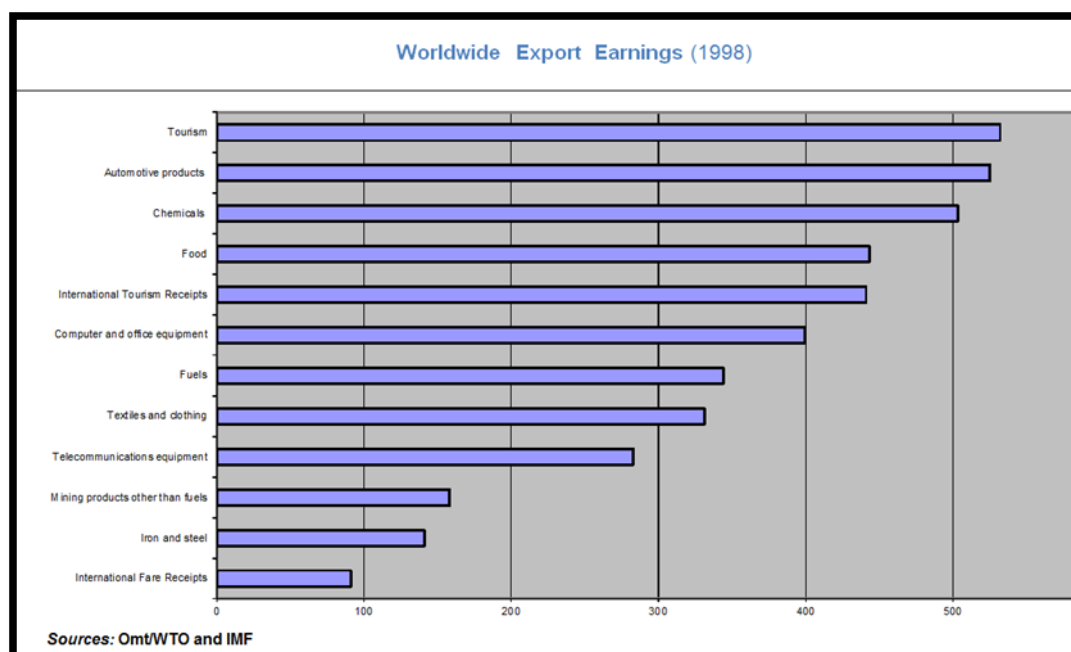


*Figure 2: Inbound Tourism, International Tourist Arrivals (United Nations World Tourism Organization)*

Europe (+5%), Asia and the Pacific (+7%), Africa and had shown favorable performances. Tourism's development continued in 2014 with a 4% to 4.5% growth (2014 Annual Report of the World Tourism Organization). According to many experts (in 2014) it is estimated to grow as well. As for forecasting of UNWTO' Tourism Towards Programme there will be gigantic growth in the tourism business namely the number is going up 1.4 billion in 2020 and 1.8 billion in 2030. This means considerable number of economic benefits for destinations as well as for the world tourism market.

Tourism is defined as one of the main significant service industries in the world (Schumacher, 2007) as well as is a favorable sources for a lot of countries concerning import and export earnings and also quite advantageous from the perspective of selling products and services as well as employments.



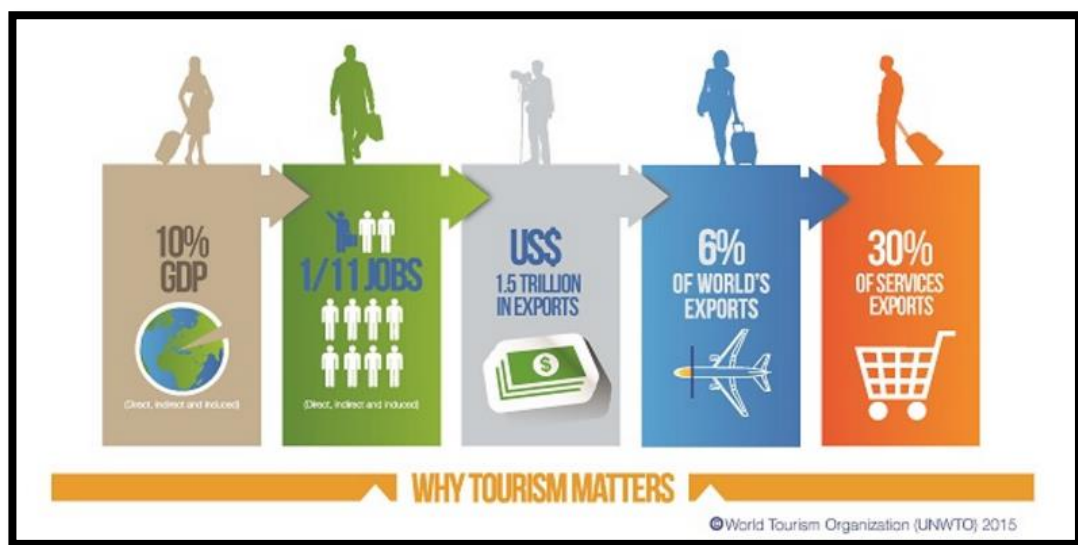


*Figure 3 : World Wide Earnings (World Trade Organization and International Monetary Fund)*

Moreover a good touristic destination also promotes fame of a destination country and is able to attract high number of the tourists. While the tourists are in destination they benefit the sectors of trade, accommodation, food, recreation, doctors and nurses (for health tourists), transportation and service sector. Those mentioned sectors are the main tourism benefitted sectors. Besides of the direct and indirect benefits, there are induced benefits too, such as employers of the restaurants, transportations companies, health & spa centers, hotels or other medical centers earn money and afterwards they spend their money for their basic and luxury needs. Thereby money flow to other sectors too and benefit employers of totally different sectors.

When we talk about tourism it has not to be understood only person who goes abroad to seek entertainment and pleasure. There are many types of tourism some are not related to leisure. This will be mentioned in upcoming paragraphs.

As we stated in previous paragraph that tourism industry is growing and one of the main leading economic sector worldwide. Hence it is on top 5, based on largest industries of today. Even though economic crisis damaged world economy, surprisingly tourism industry still grown up. It consists of 10 % of world GDP and every single person out of 11 worldwide is employed directly or indirectly through tourism industry.



*Figure 4: Global Tourism Contribution*

World Tourism Organization declared that, “today, the business volume of tourism equals or even surpasses that of oil exports, food products or automobiles. Global spread of tourism in industrialized and developed states has produced economic and employment benefits in many related sectors - from construction to agriculture or telecommunications.”

Furthermore the thesis writer intends to classify tourist and tourism types. Tourists can be divided into two categories: local tourists and international tourists.

Local tourists are the one who travel inside of country’s border but international are the ones who travel from one country to another. International tourists can be divided into two categories; continental and intercontinental.

As for tourism, there are dozens of tourism types. The followings are the main forms of tourism;

- ✓ Health tourism - travel to a destination for the seeking of wellness.
- ✓ Religious tourism - visit of destination for the doing of religious rituals.  
Tourists visit individually or in the form of groups for religious rituals or missionary motives. Saudi Arabia hosts the most crowded religious tourism in the world.
- ✓ Agritourism - activity that brings visitors to a farm or ranch.
- ✓ Sex tourism - visit of destination for the acting of sex with prostitutes.
- ✓ Heritage tourism - visit to experience the places and activities that genuinely represent the stories and nations of the former times.
- ✓ Ecotourism - visit of natural areas which preserves the environment, maintains the well-being of the local people.
- ✓ Educational tourism - to travel destination for carrying out study, research, or to provide lecture.
- ✓ Creative tourism – provide visitors a creative pursuit including arts, crafts and various seminars and workshops.
- ✓ Dark tourism - travel for the purpose of to see war traces, genocides or suffering occurred in the past.
- ✓ Social tourism - it offers financial opportunities via travel and tourism for people who are economically poor or otherwise underprivileged.
- ✓ Space tourism - travel to space for the purpose of leisure or scientific research.
- ✓ Sports tourism - to participate or watch sport events such as World Soccer Games, Wimbledon Tennis Championship, and Olympic Games.

### 3.2.2 Health Tourism

Health tourism is part of overall tourism. The great eagerness of people in terms of travelling, getting treatment and other socio-economic factors put in place have empowered the role of health tourism globally. The main reason is to travel and at the same time get therapy. So when the people go to another country in order to get treatment they are called health tourists. It started mainly in 1990. And the main target are from developed countries.

Health tourism expert and author of the book of “Spa and Health Tourism” Sonali Kulkarni pointed out that :

*“Medical tourism is a term coined by travel agencies and the media to describe a speedily growing industry where people of one country travel to another country specifically for the purpose of getting either cheaper or better healthcare services. Medical tourism mixes leisure, entertainment and relaxation together with wellness and healthcare.”*

In the summit of the 9th National Conference on Health Economy which it was held in 2013 in Germany, health tourism was characterized as “the part of tourism economy that benefits to recover and preserving health and well-being by using validated medical services”.

Health tourists travel from one country to another for several reasons.

- ✓ when healthcare costs in home country are very expensive
- ✓ waiting time is quite long
- ✓ when the patients do not like service
- ✓ to seek professional doctors abroad
- ✓ advantages of modern technologies in the destination
- ✓ suitable healthy climate
- ✓ cost of host countries are cheaper

- ✓ an operation is not legal in home country such as doctor-assisted suicide, fertility procedures and abortion.

Recorded ancient health tourists were Greeks who travelled to the Mediterranean countries to seek wellness. The first health destinations were sanitariums and spas as well as some temples in order to recover mentally and spiritually.

Officials of the Harvard Business School stated that, medical tourism is very promoted and succeeded in UK. Apart from the mentioned country Turkey, Israel, Iran, US, India, South Korea, and Singapore are most visited destinations for health tourists.

Health and Spa resorts are gaining popularity. People realized already that for long term physical and mental benefits, they need to escape from work stress and get therapy in tranquility. (Kulkarni, Sonali. Spa and Health Tourism. Jaipur, IND: Book Enclave, 2008.)

Famous persons also took advantages of health tourism for ex. well known football player Diego Maradona. He travelled to Cuba for detoxification in 2000, British singer and model Naomi Campbell traveled to Latin America for laparoscopic surgery in 2009 and the journey of Blanche from the British soap opera Coronation Street to Poland for a thigh operation 10 years ago. Those risen attention and motives strengthen links between therapy and celebrities. (Connell, J. Medical Tourism. Wallingford, Oxon, GBR: CABI Publishing, 2011)

### **3.3 The link between tourism and economic development**

Tourism is a significant industry of global economic activities as well as vital sector for state, regional and local economic development. (Keyser 2009, 3).

Thanks to the invention of modern transportation means, due to fast and comfortable, they have tremendously increased the role of tourism on the economy. Be-

cause of development of the transportation, people plan to travel for several reasons such as leisure, sport activities, adventures, music contests, conferences and many other reasons.

Many countries enhance tourism development for their economic advancement. Economic assessments of tourism's impact on certain destinations are a research topic extensively worked on it over the time by researchers.

Since few decades ago the research on the benefits of tourism had been studied by many authors. Such as Sadler in 1975, Duffield in 1982, Hughes in 1982, Archer in 1982; Liu in 1984.

According to new research conducted by Bulin, Daniel; Miru, Nela; Gheorghe, Georgica in 2014 the following names had done following researches regarding tourism's impact:

Sadler (1975) examined the positive aspects of tourism in DC (developing countries), as well as concerning industrial issues of tourism.

Duffield found out social and economic impact of tourism activities in 1982

Hughes analyzed four important aspects of tourism in 1982 – benefits to the service sector, multiplier, employment contribution and local authority rate generation. (Research conducted by Bulin, Daniel; Miru, Nela; Gheorghe, Georgica in 2014)

There are many countries which are highly dependent on tourism revenue, in some countries they even produce 1/3 part of budget from tourism.

Tourism's role for many less developed countries is more considerable, for this reason less developed countries try to "build" a tourism industry in their countries (Taleghani, 2010).

The economic role of tourism is an important consideration in state, regional and sub regional economic development. The economic role of tourism is also an important issue in marketing and management decisions. Thereby administrative officials of the states, regions and sub regions have to understand the benefits and influences of tourism. (Stynes, 1997).

The industry is considered as a main tool to strengthen the national economy, to develop conditions of the living standards, to generate employment, decrease poverty, and preserve historical monuments and culture.

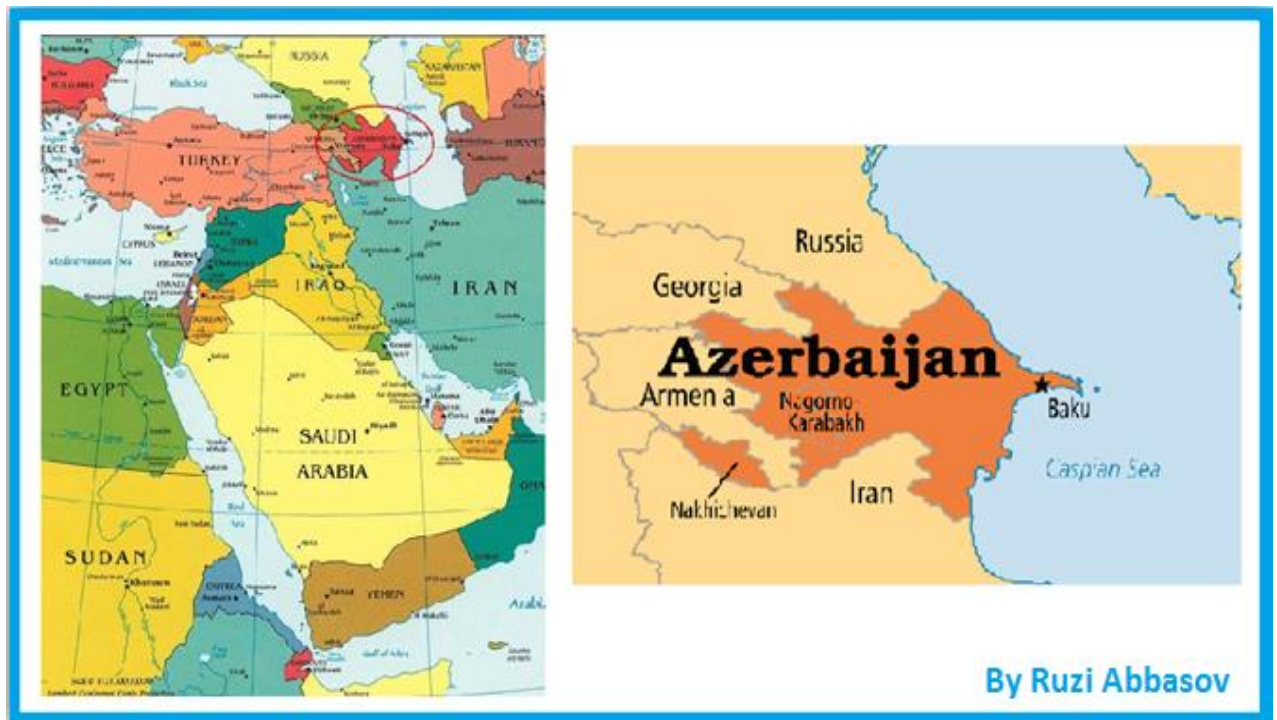
The tourism influences could be increased by selling local products and to let local residents run different kind of businesses that would serve purchase needs of the tourists. (Stynes, 1997). Why locals? Because if you motivate only foreign businesses but not locals, it is unfair and underestimated decisions. For region's development local business should be the priority as it can increase locals' income and revenues for the host region (Ahn Et Al., 2002) and the locals would spend their income in region and give benefit others too.

There is a fact that tourism may stimulate small business and entrepreneurship, especially among businessmen who do not have easy entrance to formal labor market (Nedelea 2008, 242). We can call tourism a catalyst in the region's development and its economy.

An economic role analysis of tourism service basically focuses on changes of incomes, sales and employment in a host state or region. (Stynes, 1997)

#### **4 REPUBLIC OF AZERBAIJAN**

Azerbaijan, officially Republic of Azerbaijan is a bridge between two continents namely is located in the crossroad of Eastern Europe and Western Asia. It shares border with Turkey, Russia, Iran, Georgia, Armenia and from east side with Caspian Sea.



*Figure 5: Map of Republic of Azerbaijan*

Azerbaijan as a nation with a majority-Turkic population is one of the 6 Turkic speaking country. The total number of the citizens is 9,624,900 in 2015 and Baku is the capital of the country.

It became shortly independent between years of 1918 - 1920, following the collapse of the Russian Tsar (Empire); it was subsequently ruled by “successor” of Russian Empire - Soviet Union for more than seven decades. Then it was the second time became independent in 1991 when the Soviet Union collapsed.



#### **4.1 Azerbaijan was on the way of Silk Road**

Initial stages of tourism in Azerbaijan were related with trade, religious, political and comprehension purposes. Movement of trade caravans to pass via ancient Azerbaijani territory might be regarded as a first travels.

Azerbaijan had been known as a country of an important station on the Great Silk Road. Famous former historians noted in their book that, the most active itinerary of the Great Silk Road passed via land of Caucasian Albania (the territory of the present Republic of Azerbaijan). Famous Greek philosopher, geographer and historian Strabo stated,

*“the majority of Indian species and goods passed through the territory of Central Asian to Caspian Sea and then through the sea to Albania (current day Azerbaijan) and on Kir (Kura) River to Iberia namely current Eastern Georgia, then the Pont Evksinski (present Black Sea).“*

Thus Azerbaijani cities became significant hub for the international commerce due to being on the middle route of the Silk. The significant role of Azeri cities situated on the route of Silk Road was noted. The travelers of Silk Road were accommodated in Azerbaijani cities. In modern term we can call them as the business tourists.

#### **4.2 Economy of Azerbaijan**

Economy has grown on account of Oil and Gas revenues. But this is not firm growing. It could be named symptoms of “Dutch Disease” due to developed energy sector, brings often inflation and at the same time makes many non-energy sectors “invalid” eventually non-oil imports and exports become rather expensive.

If a state highly depends on only certain sector, in case of collapse of it, it would have been “disaster” for a state. But Azeri officials say that non-oil and gas sectors

are developing too. I assume that this statement can only belong to construction and banking sectors.

Baku-Tbilisi-Ceyhan Pipeline, the Baku-Novorossiysk, and the Baku-Supsa pipelines are vital energy revenues and coming of Southern Gas Corridor between Azerbaijan and Europe will be added to this list. It is under construction now. It is predicted that, the project will have geopolitical importance and will cause few important political and economic shifts.

State has contracts with prestigious Petrol Companies of Statoil, BP, Exxon and Lukoil. Since two thirds of Azerbaijan are wealthy with oil and gas, many major global companies willing to operate businesses in Azerbaijan.

Azerbaijan has made little progress in free market economy. Extensive corruptions make development of many sectors more difficult. Not much work done in non-energy sectors.

Several shortcomings included corruption, need of reforms in non-energy sectors, weak foreign investment promotions and conflict with Armenia over the Nagorno-Karabakh region are the major obstacles of firm economic development.

Trade with Russia is not preferable, simultaneously trades with the Commonwealth of Independent States on the decline. On the contrary trades and other economic cooperation with Turkey and European countries are on the progress, despite the latest resolution of European Parliament on Azerbaijani Republic in 2015.

Currently long-term positive expectations primarily depend on world oil prices, Azerbaijan's "skills" to take advantage of productive negotiations, to set prices and conditions, export routes of its increasing gas projects, and its capability to utilize its oil and gas production's revenue to advance firm growth and long term employment in non-energy industries of the Azerbaijani economy.

According to Azeri economists tourism, banking, real estate and construction sectors are in progress in comparison with other non-energy sectors. The report of World Bank supports the economists' analysis. Annual report of the World Bank about effective banking reformers which was titled "Doing Business" listed Azerbaijan as a *reformer* in banking sectors some years ago. Azerbaijan Center Bank is supervising all other banks and national currency. There are approximately 5 famous banks in the country (except quite small banks).

Based on the Global Competitiveness Report (2010-2011) Azerbaijani Republic had been listed in upper position in comparison with rather many Commonwealth of Independent States.

Moreover, the Azerbaijani Republic is a member of the International Monetary Fund (IMF), Islamic Development Bank, the World Bank, European Bank for Reconstruction and Development and Development Bank of Asia. ("World Factbook".US Intelligence Community)

### **4.3 Tourism of Azerbaijan**

Tourism is one of the oldest, largest, most growing and wide spread sector in the economy of Azerbaijani Republic. The existence of 9 climate zones out of 11 in the country brings many tourists. Each season has its own beauty in the country.

The touristic destinations receive thousands of tourists from Azerbaijan and neighboring countries, in the same way thousands of Azerbaijani people visit several local and international destinations every year. Particularly Azerbaijanis visit Iran, Turkey, Georgia, United Arab Emirates and Israel. They are mainly leisure, gastronomic and medical tourists. Due to low costs and high professionalism in Iran, every third Azerbaijani medical tourist visits Iran, simultaneously visit Turkey (reasons of modern technologies and the similar languages) and Israel due to serious eyes operations.

Azerbaijani tourism has suffered a lot in the Nagorno Karabagh war which the territory of Azerbaijan invaded by Armenian troops (UN Security Council Resolutions). This happened between 1991-1994. Suffering continued for some years after the war. But last 10 years there has been considerable achievement in the tourism sector, even though bureaucracy and regime is not transparent and democratic enough. If it was enough democracy it would have been definitely more tourists in the country. Because usually people tend to visit democratic countries than others.

A decree of Azerbaijani President in 2002-2005 developed the tourism industry. There are currently 500 hotels and 200 travel agencies. The construction of winter tourist complex "Shahdag" , health resorts "Salt Mountain Therapia Center" and "Naftalan" health resorts attracted significant attention, hence the resorts are playing a special role in the tourism of Azerbaijan.

There are more than 15 Olympic sports complexes, thus it creates a possibility of sport tourism. Therefore why Azerbaijan hosted the 1-st European Games in June 2015. It led coming 6,000 athletes coming to the country. They were from 50 different countries contended in 20 sport types. Every sportsman or woman, their family, fans and spectators mean noticeable number of tourists.

Azerbaijan will host another sport game (Islamic Solidarity Games) in 2016. Many sportsmen and women from 34 Muslim countries will compete in 18 sports in the 4-th Islamic Solidarity Games in 2016.

Moreover, the famous international contest "Eurovision Song Contest" in the capital of Azerbaijan in 2012 created significant increase on the flow of tourist numbers. Participation of more than 40 countries and their supporters inspired visiting of a lot of tourists from all over the world.

Since the country is well-known in the Middle East, hunting tourism of Azerbaijan attracted Arab princes to country. Due to favorite location of Azerbaijan many

hunting enthusiasts visited to the country. Recently, Officials of United Arab Emirates and Saudi princes (for ex. Saudi prince Mohammed bin Rashid Ghadeer) were spotted hunting in the country's Hajigabul region where the Great Silk Road passed through there.

Along with hunting, adventure tourism also started to develop. Especially diving enthusiasts use this kind of tourism. Despite hunting and adventure tourism are not very famous but last 2-3 years we noticed hunting and adventure tourist in the country.

Worthwhile to mention that there are Shirvanshahs Palace, Maiden Tower and the museum of petroglyphs "Gobustan" (historical and archaeological curiosity) have been included World Heritage Site of UNESCO. The records of World Heritage Site are very important from the Azerbaijani tourism point of view.

Azerbaijan is a member of several tourism organizations and forums and it takes advantage of their experiences (of several tourism forums and organization). Azerbaijan attended in the 20 most famous international tourism forums in Moscow (MITT) , London (WTM), Istanbul (MTE) and Berlin (ITB).

#### **4.3.1 Economic Impact of Tourism**

There is almost 5 million labor force. GDP compositions were industry 61 %, agriculture 6% and service sector 33%. Tourism is one of the service sector.

Azerbaijan attempts to make tourism overpass the energy sectors and to make tourism an "elite" sector. They targeted to build different tourism sectors which would be able to be a major contributor to Azeri economy. All tourism related targets and activities are planned and supervised by Ministry of Culture and Tourism of Azerbaijan.



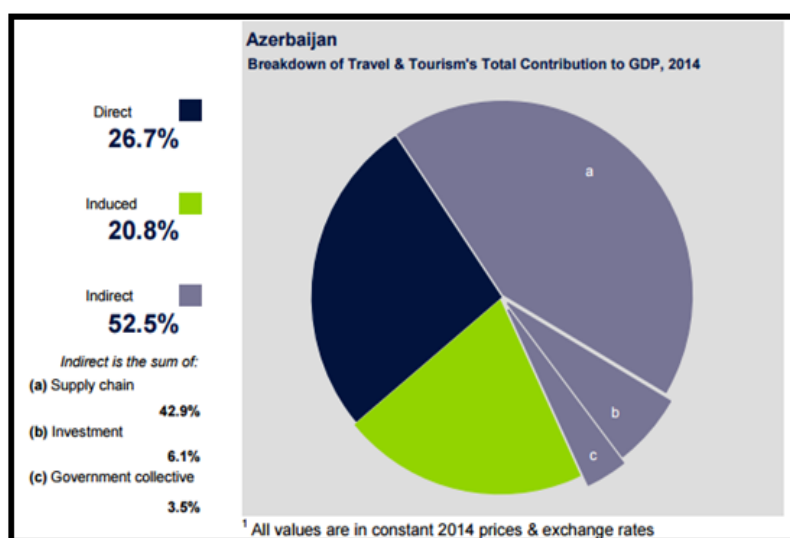
*Figure 6: Key facts of Economic Impact of Travel & Tourism in Azerbaijan in 2015 (World Travel & Tourism Council)*

Direct contribution of tourism was 2.2% to GDP in 2014 and expected to rise in 2015 and 2025. Total contribution is forecasted to make 9.8 % to GDP in 2025. Employment contribution of travel and tourism industry is estimated to be little less than half million people in 2025. The following figure of World Travel &

Tourism Council describes the key facts. According to the figure all indicators show increasing in 2015 (forecast) except “visitor export”.

Visitor export (foreign visitors who travel to country) is an important component on economic impact. The country generated little bit more than 2 million AZN (1,757,806.37 EUR). Foreign visitors spending was 54.8 % and domestic visitors 45.2 %. But these indicators will fall in 2015 and rise by 5.0% pa to AZN3,222.7mn in 2025.

Capital investments in Tourism sector will rise 10% in this year and later 5 % more in 2025.



*Figure 7: The total contribution of Tourism to GDP (WTTC)*

In conclusion, direct contribution to GDP covers 26.7%, indirect 52.5% and induced 20.8%. It is indicated as detailed on the chart.

#### **4.4 Nakchivan - Autonomous Republic of Azerbaijan (ARA)**

Nakchivan is Autonomous Republic and landlocked exclave region of Azerbaijan.



*Figure 8: Map of exclave Nakhchivan Autonomous Republic of Azerbaijan (Encyclopædia Britannica)*

There are 8 cities in NAR. Capital and the largest city is Nakhchivan. Half million people live in Nakhchivan Autonomous Republic.

The region has its own role in the cultural perspective. Many famous novelists as well as officers were born in the region.

There are almost five million inhabitants. 90 % of populations are Azerbaijanis and rests of them are Russians, Georgians, Turks and Kurds.

#### 4.4.1 Economy and Tourism of Nakhchivani Autonomous Republic (NAR)

During the Soviet times NAR has importance on Azerbaijani economy. The city has an important strategic location as it is located on the junction of Moscow-Tehran and Baku-Yerevan railway. Its importance was during the Second World War and cold war too.



Currently being exclave region of Azerbaijan and not having land route to Nakhchivan creating difficulty to deliver needs of the region. Moreover claims and conflicts with Armenia create double challenges. Thus isolation impairing development NAR.

Nearly 70% of budget of the Autonomous Republic's is procured by the central government in Baku. Assistancess of Turkey in Autonomous Republic is remarkable.

According economic development level it is differentiated from other cities. Nakhchivan increased their high *Human Development Index* (particularly education and per capita income).

Since independence more than 700 productions and service areas started to run till 2015. This created 46599 permanent jobs. Small business, free enterprise, private property inspired by new reforms.

Building of dams and hydro technical complexes and hydroelectric power station on Aras river, generated electricity and watering of arable fields. It created works for many people.

The Autonomous Republic is rich in minerals. Nakhchivan is possessed of huge deposits of salt, marble, lime and gypsum. Rich natural resources brought few UK companies to the region such as there are some contracts with UK companies to exploitation underground resources in mines.

Foreign trade turnover had been created amount of 482,219,150.00 euro which it's done with more than 25 foreign countries. Its business relations mainly are with Iran, Turkey and Commonwealth of Independent States (post-Soviet countries).

The economy of Autonomous Republic is based on agriculture, mining and food processing. Tourism and electronic industries started to develop. There are mainly tobacco, grape, agriculture, livestock, grains and vegetables in agricultural sector.

Regarding tourism eco, health, rural, and pilgrimage tourisms are famous tourism types in Nakhcihevan Autonomous Republic. Tourism is at best incipient.

There was need particular permit to travel to Nakhcivan until 1997. This made difficulties for tourism and its development. Many rules and regulations altered in near Millennium and made simple to travel to the Autonomous Republic, thus it started to make fast of tourism development.

Tourism is growing sector of NAR. Climate beauty, salt mountains and mineral springs attract tourists. Decree of Azerbaijani President in 2002-2005 developed tourism industry of NAR too. The touristic destinations receive many tourists from Azerbaijani cities and from post-soviet countries. They are mainly leisure, religious and medical tourists. These activities cause generation of quite many work places.

Medical tourists visit to Salt Mountain Hotel and Physiotherapy Center. If tourists' budget is weak, they don't stay at the hotel rather they hire flat, and then they only use facility of Salt Mountain Physiotherapy Center. Otherwise people stay at the hotel and therapy center for certain hours they visit and then come to the hotel. During stay at the hotel they enjoy with massage, sauna, "hamam", tennis, football and some other activities.

Religious tourists visit "Ashabi-Kahf" temple and graves of some famous saints. Ashabi Kahf is historical and religious monument of NAR. It is worship place of many people. Simultaneously it attracted some researches to area, but still is not researched properly.

According to some historical facts there have been buried famous religious figures. Faith tourists come and see the shrines."Xanaga Piri" is one of them.

Nakhcivan received tourists during Eurovision Song Contest and European Sport Games when thousands of tourists visit to Azerbaijan. Forecasts of new tourist are

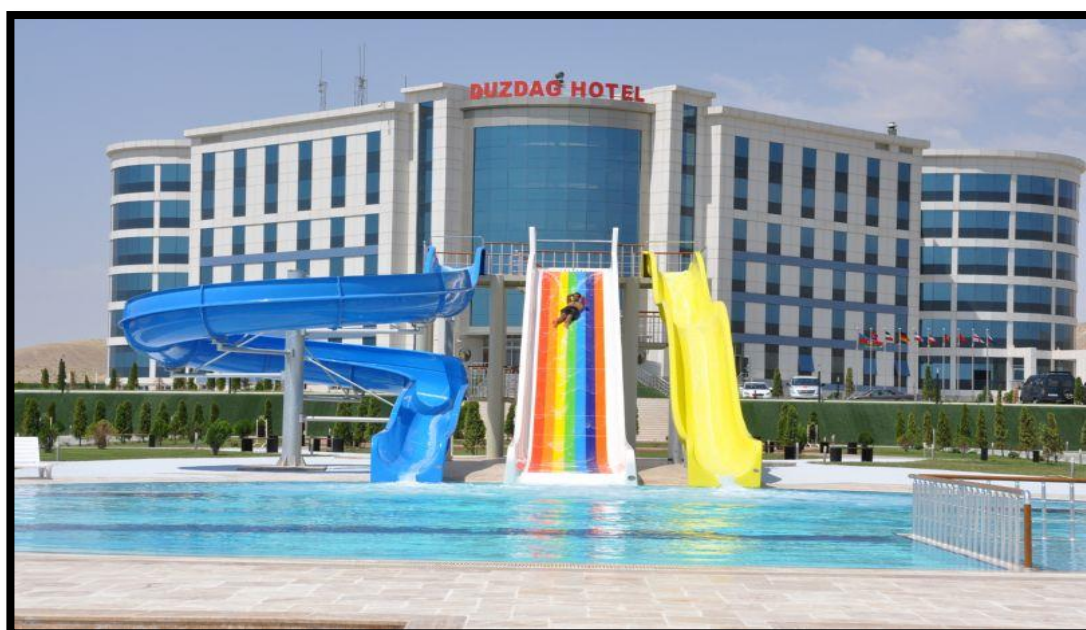
positive when Azerbaijan will host another sport games Islamic Solidarity Games in 2016.

#### 4.4.2 Salt Mountain Hotel and its Therapy Center

Salt is an old symbol of NAR. Natural salt resources of Nakhchivan make almost 100 million tons. Based on some evidences there was “Salt way” prior to “silk way” which the salt was extracted massively and dispatched to many countries particularly present day Middle East countries few thousand years ago.

During Soviet times officials of the empire noticed salt’s uniqueness of NAR and established Therapy Center in the Salt Cave in 1979. The center always worked and was a source of healing peculiarity.

The Salt Mountain (in Azeri language “Duzdag”) Hotel and Therapy Center operating together. Investments of the luxury Salt Mountain Hotel was by Turkish investors. Currently Mr.Mete Cepe is operating this business.



**Figure 9: Salt Mountain Hotel**

(all photos obtained via their official website of <http://www.duzdag.com/galeri.html#>)

It is 5 star hotel with an Aqua Park, health centers, outdoor - indoor pools, several sport activities such as basketball, football, tennis, billiard. The hotel visitors throw away stresses of life and enjoy these activities.

People stay at the hotel and afterwards they visit the salt cave (therapy center) for certain time of the day in order to be cured.



**Figure 10: Salt Mountain (Duzdag) Hotel**

The Salt Mountain Therapy Center is 1,174 meters above the sea level, 2 km away from the 5 starred Salt Mountain Hotel. There are TV lounge, 47 rooms, 128 beds,

cafe, TV lounge and the library in the Salt Mountain Therapy Center. There are special comfortable family rooms for families, high security, cafeteria, library, doctor and nurse services. Highly qualified doctors and nurses serve to patients. They supervise patients very strictly.

The following photos have been presented in order to clarify impression of the readers about the destination.

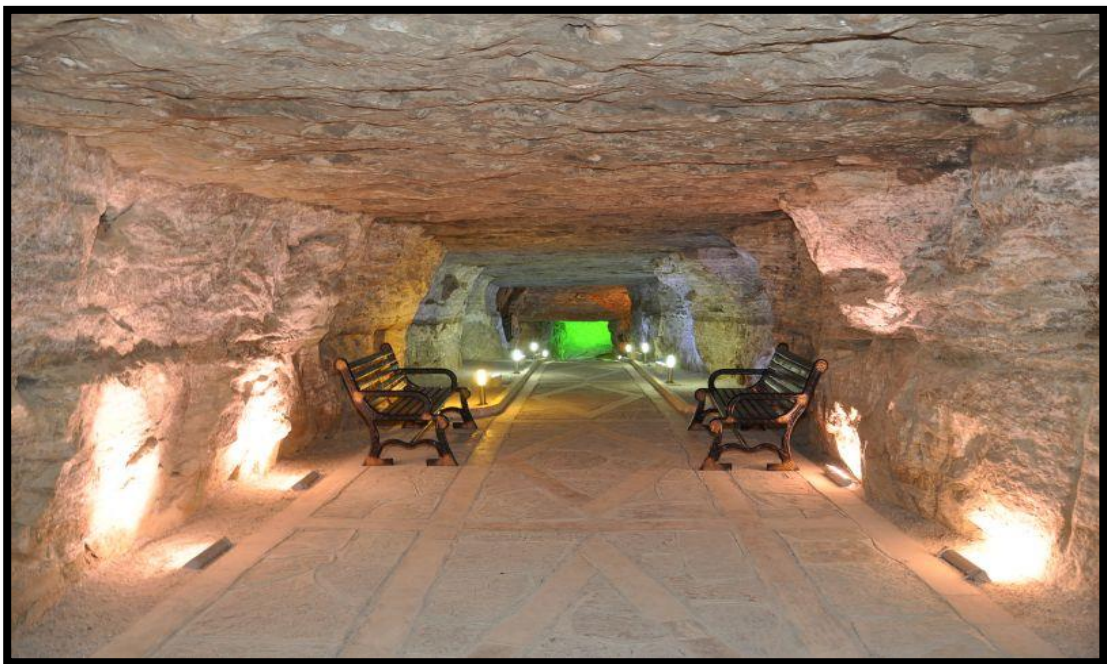


*Figure 11: Salt Mountain Physiotherapy Center (inside of this mountain is Therapy Center)*





*Figure 12: Salt Mountain Physiotherapy Center*



*Figure 13: Salt Mountain Physiotherapy Center*



*Figure 14: Salt Mountain Physiotherapy Center*



*Figure 15: Salt Mountain Physiotherapy Center*





*Figure 16: Salt Mountain Physiotherapy Center*



*Figure 17 Salt Mountain Physiotherapy Center*





*Figure 18: Salt Mountain Physiotherapy Center*



*Figure 19: Family room of the Salt Mountain Physiotherapy Center*



*Figure 20: Cafeteria of the Salt Mountain Physiotherapy Center*



*Figure 21: Salt Mountain Physiotherapy Center*





*Figure 22: Salt Mountain Physiotherapy Center*



*Figure 23: Salt Mountain Physiotherapy Center*

## **5 THE RESEARCH**

In this chapter I will deal with research methodology, challenges, validity and reliability of the research. I used qualitative research methods in my project.

Because it was a more convenient method for my research question where experiences and views of interviewees are prioritized.

### **5.1 Quantitative Research**

The target of quantitative research is collecting and analyzing of numerical valid data involving the insistent use of sampling techniques.

The researchers can implement outcomes of the representative exemplary to the whole case, because the participants of the examine are thought to be representing the whole case being investigated. Quantitative research is generally objective, needs reflections and numbers. (Lumsdon, 1997, p. 130).

### **5.2 Qualitative Research**

A qualitative research method mainly consists of interviews and discussions in order to determine the attitudes, experiences and views. This type of research lets a researcher to provide more in-depth representation of people's experiences, attitudes and beliefs in their research project (Lumsdon, 1997, p. 127). It requires being non-numeric, more observation and goes deeper into provided information. In case of not receiving enough adequate answer an interviewer has possibility to ask further question related the given question in order to make answer clear.

### 5.2.1 Research Process

Due to the heaviness point of view, the qualitative research is considered the most relevant method. The type of research method allows to find out answers of the questions "why", "what", "how" and "what if".

I used the qualitative research methods with 8 and 12 semi-structured questions in the research. Because it was a more proper and suitable method for me to find out answer of my research question.

Due to having 3 different groups of interviewees, I asked questions according to their group despite almost half questions of the all 3 groups similar but other half is different. The obtained answers were quite privileged.

Before the empirical part, different sources of literature are viewed in the theoretical part. The source of data obtained through the Tritonia, Vaasa City library, Ebrary, thesis projects, several documentary programmes and scientific articles.

Altogether 3 groups of people (9 persons) were interviewed in the empirical part. Staffs, experts and customers. There were 3 question lists. Some questions are the same for all 3 categories but some are not. I concluded that, those 3 categories are adequate classes to reveal the facts. I acted quite neutral, trying not to influence respondents.

Skeype, telephone calls and e-mails have been used during the interviews. The interviews were recorded and skype interviews were filmed. Then answers were transcribed in word documents and analyzed.

### 5.2.2 Challenges of the Research

I have not been able to go to Nakhcivan Autonomous Republic whereas I wanted and planned to go. My plan was to go there to get treatment too, to be in observation and to interview staffs face to face. Because of some reasons it was not able

to happen. Therefore I started to consider contacting proper persons and get their telephone numbers to ask for an interview. It was not easy to find proper persons to interview. And it was obvious that it will not have interview chance again in case of recording problems or any shortcomings. I will not be able to ask again because of people were so busy with their work and not knowing of them personally, hence would be in hesitation to request again for interview.

Some of the interviewees were quite surprised when they got call from Finland 4000 km away from Azerbaijan. Very few of them were reluctant to be interviewed but majority welcomed it. Moreover some interviewees sometimes are not willing to talk in detailed; rather they want to reply as short answer as possible. I succeeded to get proper answer via telephone and skype interviews by talking precisely but via e-mails I did not easily get more precise answers in case of the answers were not clear enough.

### **5.3 Reliability and validity**

Reliability and validity of a research are very significant aspects when doing a research. It is has to be seriously considered that when doing a research, a researcher is supposed to ensure his/her research reliability and validity in that ways the research would be as reliable and valid as possible.

#### **5.3.1 Reliability**

Reliability is a concept which an assessment tool produces as consistent and stable result as in previous researches. It is mostly in natural sciences, though after long period of time the results should be quite similar. But not in social sciences. The reason that is social sciences deal with human behaviors. As the conversion of world society is a constant process which effects the humans and their behaviors, it is not expected the same type of result to a research topic in a later stage. Although, the identical questions were about the same topic in the future, outcome

will definitely be dissimilar. It happens for time, location, people and social facilities (Veal, 2006, p.41).

This thesis which is based on finding out the economic impact of health center in the Nakhcivan was done by interviewing people that are constant users of the center and have experience and experts who have deep knowledge and understanding of the case in the NAR. It is the researcher's conclusion while consider at the interview, that it is reliable because being a regular and experienced customer to any service, product or place, you have your distinct views and definite conclusions about them.

In the regards of professionals- tourism experts to this kind of issues, are well-informed, well-experienced and well-decisive persons, so their responses to my interview questions are considered reliable enough.

Even though fast development of tourism and changes taking place in the Autonomous Republic, the results for similar researches might be almost the same in the near future. At the same time for a certain period of time ahead these findings might help the people who are responsible of touristic development and marketing of the Nakhcivan.

### 5.3.2 **Validity**

Validity is a concept that explains the extent of the data collected by the researcher can reflect to the phenomenon being examined. Finding valid and reliable information on leisure and tourism sector is more difficult because it is more based on interviewees' attitudes, behaviors, and experiences. Techniques that are used included insufficiencies, which mean that the data of tourism research rarely, could be as precise as the natural sciences (Veal, 2006, p.41). The sole method a researcher could truly examine the validity will be based on the responses obtained from the questionnaire-based interview conducted with the survey participants.

I argue that for my project qualitative research method is more suitable way. Because by interviewing experts, local staffs and regular customers I would gain more chance to go deep of the case, get more proper and detailed answer and finalize more accurate findings.

#### **5.4 Analysis**

The interviews consisted of 3 categories of people;

- ✓ The first category was tourism experts (3 experts).
- ✓ The second category was the staffs of the Salt Mountain (Duzdag) Hotel and its department Phsyotherapia Medical Center (3 staffs).
- ✓ The third was regular customers of the center (3 constant customers).

I interviewed totally nine persons. Therefore there are 3 question lists. Some questions were the same for all research participants. I concluded that, those 3 categories are closer to reveal the research question.

There have been used Skype, telephone calls and e-mails during interviews. All media interviews recorded and transcribed, and email interviews printed outed and stored.

Nine interviews would be sufficient to point out clear conclusion, observations of customers are vital to make bit clearer conclusion.

Despite experts' and staffs' views, regular customers shed light on the role of medical tourism in region's economy, because they answered questions quite straight forward as neutral observers. They are usually with local people and they know how it affects people's lives.



But experts and staffs are also important because they are professional in this matter. Basically experts point out a general analysis of the entire issue.

Observations are also important in this research. Customers' observations are able to reveal much more details on the economic contribution to medical tourism in the region of Nakchivan.

#### 5.4.1 Analysis of the experts' interview

I interviewed three tourism experts. They are very very experienced. It was not easy to get an appointment and to interview them due to several reasons. One of the expert was Turkish Professor Doctor Ahmet Maranki.

He knows the region very well and professional expert in medical tourism. After to gain independency of Azerbaijan, Mr.Maranki was a group leader who had been invited to Azerbaijan (by request of new Azeri Government) to do researches, to give lectures in the universities as well as state departments regarding transformation of post-soviet economy (planned economy) to free market economy.

His lectures covered topics of "Principles Marketing", "International Marketing", "Relation of Islamic Economy" and "International Economic Organization". He was elected "the most successful foreign scientist" in 1998 in Azerbaijan.

Professor Ahmet Maranki served in Azerbaijan as a diplomat too in the name of UN development programme. He had accomplished several work-tasks in UNESCO and international organization of International Personal Academy (IPA) and is chairman of Research Center of The Institute for Cross Cultural Health in Netherland.

Pr.Dr.Ahmet Maranki performed many researches, wrote numberless articles in the field of health tourism and published many leading books.

Mr. Maranki is not satisfied with the current position of the destination. He stressed that in order to increase the level of employment, there is a need to do a lot of marketing work. Great marketing brings great revenue and great revenue means great employment possibilities. He pointed out that,

*“The center is not valued as well as it deserves. In case of some reforms it can get its deserved value in Nakhcivani Economy. Let’s we don’t forget that in this capitalist world marketing success of a product or service is not only the quality of them, it is also about marketing of them by doing its professionals.*

*It is able to create “domino effect” in the region. At the result of good marketing and coming of lots of tourists it will attract to new businessmen to the region. Building of new hotels, restaurants, shopping centers and attractions cause of reviving of several sectors as well as sub-sectors such as construction sector and selling of constructional materials.*

*All such works revive service sector too. The people who are in the service sector they earn money to spend for their basic and luxury needs in the region and it will cause also positive effect in the other sector to supply basic and luxury needs of persons who earned money from the Salt Mountain .”*

The second interviewee was a representative of Ministry of Tourism and Culture. When I asked the representative about future views of the destination from employment perspective. He noted that,

*“As a person who knows marketing promotion, I want to point out that in case of active promotion of the destination Nakhcivani Economy is able to be developed 5-10 times in 5 years of time period and increase employment level too.”*

All interviewees had the common answer that the destination despite being very unique they do not have enough tourists, neither it is known in the world, even many Azerbaijanis do not know either, except who have serious illness and recommended to go thereto by their doctors.

The third experts who is the founder and director of Agito Travel. Their company cooperates with Polish and Lithuanian Spas, such as Royal Spa Residence, Spa Vilnius, Eglese Sanitarium, Krakov Spa. He emphasized:

*“The role and impact of the Physiotherapy Center on regional economy is quite positive. Tourists come and spend money. Due to Nakhcivan is exclave region (there is Armenia between Azerbaijan and Nakhcivan and there is Karabagh conflict between two countries), not many Azerbaijanis have been there and those local tourists they probably want to see sightseeings of exclave region that’s why they travel, consume product and service of the region and expense money in the Nakhcivan.”*

#### 5.4.2 Analysis of the staffs’ interview

I directed my question “how many tourists visit your hotel and how much money do you charge averagely”, the sales and marketing manager of the Hotel Vusal Ismayilov replied that,

*“More than 3000 thousand people visit the destination annually and their average expenses are 700-1000 US dollar per person for one week (included only Hotel and Salt Mountain Physiotherapy Center). If they use other services such as massage, to eat lunch and supper in the restaurant total fee raise up.”*

After asking question of “what are main obstacles of the Salt Mountain Hotel and Center to promote worldwide?” All personals answered:

*“There is no any obstacle, simply we need to work hard in order to draw tourist flow to the region and take economical advantage for the region, regional residents and for the country.”*

The doctor of medical center declared that, usually a patient comes 2-3 times in the continuous years and some even come 10 times. Their recovery statistic is 75 out of 100 people for adult patients, and for kids 95 out of 100.

I asked a question “how do you see job contribution of the Salt Mountain“. Turkish hotel owner Mr.Mete Cepe highlighted that,

*“Our Hotel and its section Phsyoterapia Center generate work for dozens of people directly and hundreds indirectly. Additionally 99% of our employees are locals and for this fact produces pretty good subsistence for high percentage of local people”.*

He furthermore added that,

*“I strongly believe that in next 3-5 years it will generate pretty well results for Nakhcivan and for Azerbaijan. But it doesn’t depend only on us, it depends on several factors such as several workers (seller in the shopping centers, taxi drivers and others) of city must be honest and kind for tourists, as well as their appearances and behaviors should leave positive effect in the mind of the tourists.”*

The findings were, a lot of jobs have been created by tourism related industries, source of income for the local people, infrastructure, city modernized and the general positive impacts to the Nakhcivani economy.

### 5.4.3 Analysis of the regular customers' interview

It gave the customers a good insight into the local ways of life and simultaneously gave pride to locals when hundreds of tourists visit the Nakhcivan. The social, moral and cultural impacts are considerable.

The result of answers, revealed fact was that the airport and roads were renovated as well as the city was beautified for the sake of the tourists. Many youths were employed in the renovation projects.

Another advantage of health tourism in the Nakhcivan is to save many local heritage sites from destruction, because in order to promote, to attract and to keep the tourists therein, municipality had done some renovation projects in the historical and cultural site of the Nakhcivan in order to preserve the history and culture of a region that might be at the danger of being lost.

When I asked “any other issues that you would like to raise about Salt Mountain Physiotherapy Center” local customer of the region replied that,

*“There is need for “serious” investment by Nakhcivan Autonomus Republic. Because first they have to spend. They should not take into consideration more profit in few years. To let recovered people to talk on TV and to spend more money in International TVs are important tools to let people to know the destination and its natural effects. After effective and often AD-s then they have to take into consideration more profit.*

*More AD expenses bring more tourists, more tourists need more care and more food to be supplied and accommodated and all those mean more work place.”*

The similar answer was replied by Suzana Huseynova. She underscored that,

*“If you want to go forward you must step bit back, to get power then you go forward fast. To organize conferences and fairs, to make deal with in-*

*ternet online hotel booking web sites and social medias are vital components of campaign. More you spend, more tourists come and more jobs come up.”*

Another answer for employment related question was:

*“Current employment situation is not good neither bad. Unlike the most famous medical center Naftalan you can register your names 1 week ago. But Naftalan is quite full and you need to buy service/reserve few months ago. From this point of view the personnels of Salt Mountain need to learn or to perform the same what and how Naftalan personals perform.”*

## **6 RESULT AND DISCUSSION**

The analysis, comparisons and results in this topic are concluded from the personal point of view of the thesis author, based on the interviews with the staffs, experts, regular customers as well as discussions with few locals.

The findings should not let to be understood as being the same to all medical tourist resorts in the Azerbaijani industry of tourism. In the comparison with Naftalan



*Figure 24: Naftalan Spa (courtesy picture of Azerbaijan Travel web site)*

Crude oil spas in Azerbaijan, which to treat skin conditions such as eczema and psoriasis, easing joint pains and generally calming the nerves, Salt Mountain Physiotherapy Center of Nakchivan is not able to attract many tourists. They have to cooperate with each other's to transfer knowledge and experience for the sake of National Economy. But it does not seem realistic now. Because they are more or less compete with each other's, currently it is not believable they might collaborate. But if those two resorts administered by one administration then it would be realistic to believe it.

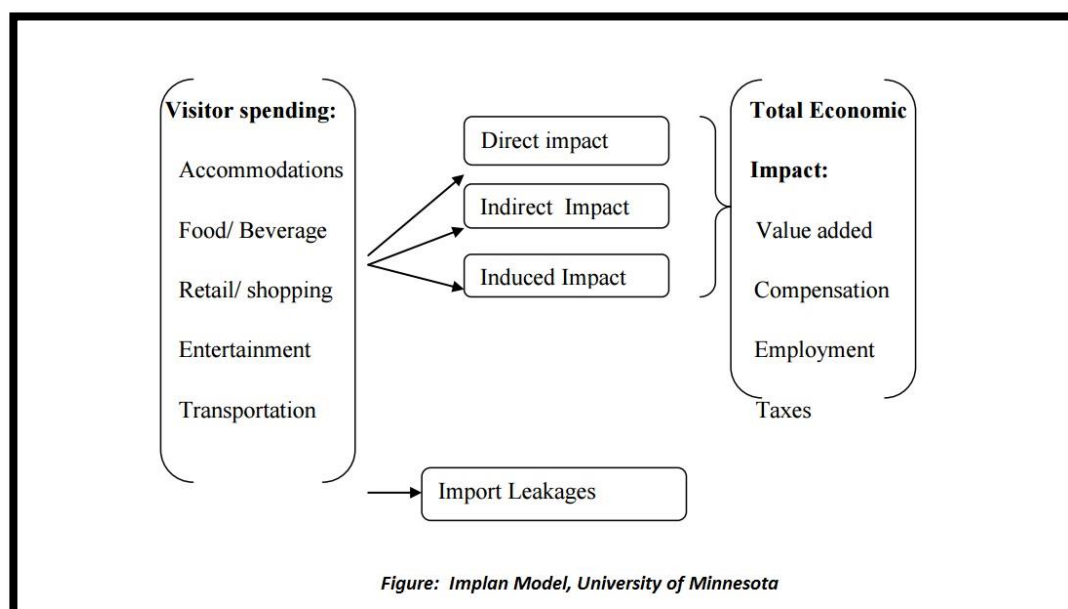
There is fact that health tourism stimulates several businesses and entrepreneurship, especially among businessmen who do not have the possibility of easy access to strict labor market. Health tourism caused acceleration of entrepreneurships and investments in the Nakhcivan AR.

It attracted investment of Turkish businessmen. Due to almost the same language and culture Turks are more interested in touristic investment in the region as well as investments in the other sector. Thus investments play role of catalyst in the regional economy.

The main target of health tourism in Nakhcivan is to help people to gain their health and happiness, the generation of economic benefits, jobs for the residents of NAR, as well as financial benefits for other partners and to impact social and economic life of Nakhcivani people. Even though the place is not very well known but the economic impact of the Center referred to the change in sales, income, employments and some other factors and specifications generated by Salt Mountain Physiotherapy Health Center. Every single AZN (Azeri currency) coming into the tourism sector by tourists is effectible quickly by business owners and staffs of the Health Center, and is quite connected to a boost in local spending. It has an important role in retail and food production of the region.

Apart from it, the staffs pay their taxes, union expenses and this is definitely reproduced in the Nakhcivani economy.

At the same time the coming tourists want some needs that require to be purchased, like souvenirs, clothes, hairdressing, transportation needs, insurances and amusements. Individuals what they consumed even 1 AZN it is re-injected into the local economy of Nakhcivan. And this is felt by locals too, after I was in discussion with them. The following chart of Implan Model clearly described the benefits of the destination.



*Figure 25: Implan Model (University of Minnesota, US)*

In a region where there is not several employment alternatives, jobs which generated by Salt Mountain Health Center is significant. There are positions for administrative people, doctors and nurses, cooks, tourists' guiders, waitresses, taxi drivers, massagists, sellers, house keepers, coach services and few others to earn their livings. Such subsistences what they earned, then turn to circulation by expending for their at least basic needs and then it causes works to others sectors too. It runs



as a “bike chain” ones get power cause to draw others. Finally economy of Nakhcivan is benefitted from these employments.

## **7 CONCLUSION AND SUGGESTION**

### **7.1 Enhancing of the Destination’s Role on the Economy of the Region**

There is “diamond” (Salt Mountain) in Nakhcivan, shortcoming is only to “pick up” and “produce” it. “Superiority” is not only to have uniqueness; it is also about work hard on it, to improve properly and to let the customers know about your uniqueness.

As I found out it is the most modernized Salt Mountain Physiotherapy Center in the world and there is always the same 18-20 degree temperature in Salt Mountain Physyoterpy Center regardless of a season, whereas temperatures of other Salt Mountain therapy centers are cold. These facts one more differentiate the destination from other similar destinations in Ukraine, Poland and Kirgizia. Differentiations make tourists to prefer Nakhcivan. Each visited tourist spends nearly 1000 euro and each year 300 people visit the destination. So this makes approximately 300,000 euro revenue. When we consider that 99% of employers are from Nakhcivan itself that is considerable result for Nakhcivans employment point of view.

I figured out that, the Salt Mountain is the most major advantage for Nakhcivan Autonomous Republic in the tourism context, because of characteristics of salt. Let us we remember that it is not only a source of mineral also source of culture and history. Physiotherapy, salt, and health are serious issues and must be given to deal with professionals. I would seriously recommend followings have to be accomplished in order to have many times more benefits from the destination:

1. To hand over the work to professionals

2. To solve Infrastructural problems and shortcomings
3. Effective and successful promotions
4. To arrange free tours for lyceum students acquaint Physiotherapy Center, to get aware of the place and to know importance of health.
5. The officials in the Tourism Ministry who are in charge of it to work hard and tirelessly
6. To organize more congresses, conferences and fairs.

The purpose of this study was to investigate the role of health tourism in the Nakhivan from the employment perspective. The analysis of this research was facilitated by the author and experts own experiences, and views of Health Center staffs and regular customers as well as small discussions with some residents.

Despite some challenges but I enjoyed to do this research. All the interviewees based their definite opinions, knowledge and experiences found out that since the creation of medical tourism in Nakhcivan Autonomous Republic of Azerbaijani Republic, the business has played a significant role impacting the lives of the hundreds such as local residents, sellers of shopping centers, drivers. Local economy benefitted in overall in the following ways;

- ✓ considerable amount of jobs have been created by tourism sector
- ✓ simultaneously, job benefits of tourism related industries
- ✓ infrastructural renovations
- ✓ origin source of income for the local residents
- ✓ payments of the workers to authorities
- ✓ pride and fame of the region is advanced
- ✓ modernization of the city
- ✓ prestige of host state in the world wide
- ✓ the general positive impacts to the Nakhcivani economy

## 7.2 Suggestions

Salt Mountain or similar businesses may benefit from this research. They might be benefitted from this research as a guideline for their new decision makings, for their future plans and for new researches.

The topic of Salt Mountain Physiotherapy Center of Nakchivan, is a topic of inchoative interest. However, there has not been much research. Therefore research about economic role of the Salt Mountain Hotel and Physiotherapy Center of Nakchivan could be expanded. It is quite unique different tourism service and product. Hence state has to fund on researches or to motivate students of Tourism University of Azerbaijan Republic and tourism degrees in the country in order to find out interesting facts, concealed truths as well as shortcomings.

Research could be conducted not only focusing the economic role, but to social and medical role too. It could be interviewed different segments than the customers, staffs and experts. Or research question not only focus generation of employments but to focus impacts of the investments, primary reasons of foreign investments and effective marketing of the destination. Aforementioned factors might give the topic new perspectives.

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## **LIST OF APPENDICES**

### **APPENDIX 1** Interview questions of Experts

1. May I ask please to talk benefits of Physiotherapy Medical Center “Salt Mountain” on Nakchivani Tourism?
2. Does the Physiotherapy Center attract foreign tourists?
3. What is the best AD channel to attract people to Physiotherapy Medical Center?
4. How much money nearly would foreign tourists spend on Medical Center?
5. Are there advantages of Medical Center for local people? If yes could you please list some of them?
6. Do you see positive future especially with regard to the development of the center?
7. What are main obstacles of the Center to promote worldwide
8. Any other issues that you would like to raise about Physiotherapy Center of Salt Mountain.

**APPENDIX 2** Interview questions of Customers

1. For what reason you went to Salt Mountain Hotel and Physiotherapy Medical Center in Nakchivan?
2. Do you think enough people are aware of the destination?
3. How many tourists were in the center during your stay?
4. How many days you were there?
5. How much money did you spend in only Salt Mountain Hotel and Physiotherapy Medical Center?
6. How much money did you spend overall (transportation, accommodation, recreation, travel for all)
7. Does the Physiotherapy Center attract foreign tourists? If yes who are mainly them?
8. What is the best AD channel to attract people to Physiotherapy Medical Center?
9. What kind of advantages of Medical Center you see for local people? If yes could you please list some of them?
10. May I ask please to talk benefits of Physiotherapy Medical Center "Salt Mountain" on Nakchivani Tourism?
10. Do you see positive future of Salt mountain?
12. Any other issues that you would like to raise about Physiotherapy Center of Salt Mountain.

**APPENDIX 3** Interview questions of the Personals

1. May I ask please to talk current benefits of Physiotherapy Medical Center “Salt Mountain” on Nakchivani Tourism? Could you elaborate your points especially on economic perspectives?
2. Could you talk please employment advantages of Medical Center for locals?
3. Do you have suggestions of increasing employment level in Salt Mountain and related sectors of it?
4. Does the Physiotherapy Center attract foreign tourists?
5. How much money nearly would foreign tourists spend on Medical Center for one week?
6. How about overall expenses?
7. How many tourists visit the destination yearly?
8. How many times a patient visit the destination after the first visit?
9. What is the best AD channel to attract people to Physiotherapy Medical Center?
10. Do you see positive future especially with regard to the development of the center?
11. What are main obstacles of the Center to promote worldwide
12. Any other issues that you would like to raise about Physiotherapy Center of Salt Mountain.