

# SUSTAINABLE TOURISM DEVELOPMENT IN RURAL AZERBAIJAN

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### **ABSTRACT**

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This thesis has been commissioned by the project "Developing Sustainable Entrepreneurship and Promoting Local Handicrafts in the Rural Azerbaijan 2012-14", which is funded by the Ministry for Foreign Affairs of Finland. The project has also secured further funding for 2015-2017.

The purpose of the research was to map the resources in the rural project regions and find ways in which the project can contribute to sustainable tourism development in Azerbaijan. Research data was gathered through interviews, observations and various materials produced for the project.

The theoretical framework consisted of theories concerning sustainable tourism, cultural tourism and rural tourism. The data was also analyzed using these theories, and they were the basis for the recommendations made.

The research data clearly brought forward particular development needs. There was a general need mentioned by various sources to clarify the project focus and to get the local communities committed to the project objectives. Specific and more practical development needs arose in the areas of marketing material, workshops and training, and networking.

The project regions have abundant cultural and natural resources. Recommendation was made that the resources are to be surveyed and listed in full, in order for them to be more easily utilized in tourism planning in the future. Practical suggestions that will help further planning of marketing, training and networking were also made.

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# ABBREVIATIONS AND TERMS

EKOT Ekoloji Tarazliq

KeTu Kestävä Tulevaisuus ry (Sustainable Future NGO)

NGO Non-governmental organization

OECD Organisation for Economic Cooperation and Development

SME Small and medium sized enterprise

TIC Tourist information centre

UN United Nations

UNDP United Nations Development Programme

UNESCO United Nations Educational, Scientific and Cultural Organi-

zation

UNESCO-APNIEVE United Nations Educational, Scientific and Cultural Organi-

zation - The Asia Pacific Network for International Educa-

tion and Values Education

UNGA United Nations General Assembly

UNMDGs United Nations Millennium Development Goals

UNWTO World Tourism Organization

USAID United States Agency for International Development

### 1 INTRODUCTION

Despite the variety of cultural and natural resources, Azerbaijan is still struggling to attract tourism in the rural areas. Most of the tourists who travel to Azerbaijan stay within the capital city limits. The main reasons for this include insufficient marketing and virtually non-existing tourism infrastructure.

Developing tourism, especially in the rural areas, holds a number of potential benefits to rural communities. Tourism can be an important source of income and jobs, it preserves and passes on local traditions, and it has to the capacity to stimulate other local business sectors as well. Sustainable tourism development also provides an incentive for the preservation of cultural and environmental heritage.

This research will look at rural tourism development from a local perspective. It is commissioned by the project "Developing Sustainable Entrepreneurship and Promoting Local Handicrafts in the Rural Azerbaijan 2012-14", which is funded by the Ministry for Foreign Affairs of Finland. It will answer the research questions What are the existing resources and opportunities in the project regions for tourism development? and How can the project help the regions of Sheki-Gabala and Lenkaran-Astara develop rural tourism further?

The data for the thesis is collected through interviews, observations gathered during a field visit, as well as various documents. The theoretical framework includes theories about sustainability and sustainable tourism, cultural heritage and cultural tourism, and rural tourism. In fact, local culture and sustainability are almost always inseparable parts of rural tourism development, as will also become evident in the thesis.

The following chapters will introduce the project and its objectives in more detail. The history and current state of tourism in Azerbaijan will also briefly be discussed. The main part of the thesis discusses the practical opportunities for sustainable tourism development. Reflections are also made, when applicable, to similar tourism development projects carried out in Finland and in Morocco.

Particular development needs, such as the need to develop marketing and arrange more training for local entrepreneurs, rise from the research data and recur in the interview transcripts. As the project resources are limited, practical recommendations within the project scope to tackle the needs are made.

### 2 THEORETICAL FRAMEWORK

This chapter presents the focus of the research, its theoretical background and contents. Main concepts and theories, namely sustainable tourism, cultural tourism, and rural tourism, will be introduced in more detail. Further, the research questions will be explained along with the chosen methods for data collection and analysis.

# 2.1 Focus of the research

This research is focused on sustainable rural tourism development in Azerbaijan. Tourism is a rather new and underdeveloped industry in Azerbaijan, and most international tourists travelling to the country visit only the capital Baku. During the recent years, the government of Azerbaijan has started strongly promoting tourism in the rural regions as well, and among other actions taken seven new tourist information centres have been established since 2006 to develop tourism in their given regions.

This research sets out to evaluate and develop sustainable tourism in the rural regions of Azerbaijan. The work has been commissioned by the Sustainable Future NGO (Kestävä Tulevaisuus ry.) as a part of the Ministry for Foreign Affairs of Finland funded project "Developing Sustainable Entrepreneurship and Promoting Local Handicrafts in the Rural Azerbaijan 2012-14". The project contributes to rural tourism development by, among other things, involving local communities and promoting local entrepreneurship.

The aim of this research is to produce information that will help in the future planning for the project. The information will clarify the background and current situation of tourism in rural Azerbaijan, help in mapping the existing cultural and natural resources in the project regions, and finally give recommendations on the ways the project can support sustainable tourism development in the future.

The research concentrates on two rural areas of Azerbaijan where the project has been implemented: the Sheki-Qabala region and the Lenkaran-Astara region.

# 2.2 Concepts and theories

The main concepts of this research are sustainable tourism, cultural tourism and rural tourism. These concepts also act as the main theories that will be applied when researching the resources and opportunities for rural tourism in Azerbaijan and when making recommendations for the future.

### 2.2.1 Sustainable tourism

The World Tourism Organization (UNWTO), a specialized agency of the United Nations, defines sustainable tourism as "tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities" (UNWTO 2005).

UNESCO APNIEVE 1998 (The United Nations Educational, Scientific and Cultural Organization Asia Pacific Network for International Education and Values Education) defines sustainable development in a way that might be a more useful tool and goal for rural communities dealing with tourism development (George, Mair & Reid 2009, 196-197):

- Ecological sustainability i.e. development that takes into account the maintenance of ecological processes, biological diversity and biological resources. To achieve this, our society needs to recognize that the survival of other species is also important.
- Economic sustainability i.e. development that is economically efficient and that
  the benefits of such development are distributed between generations. Economic
  efficiency means that processes and projects undertaken must give the greatest
  output per unit of input.
- Social sustainability i.e. development that improves quality of life of all social groups. It requires development that increases people's control over their lives by giving them opportunity to participate in decision-making.
- Cultural sustainability i.e. development that requires taking into account the values of the people affected by it. In addition, the range of cultural groups should

be maintained and encouraged, and the value of their heritage and traditions should be recognized.

The sustainability principles set up by the UNWTO also refer to the environmental, economic, and socio-cultural aspects of tourism development. To guarantee long-term sustainability of a tourism destination, a balance of all of the dimensions must be established. (UNWTO 2005.) According to the UNWTO's conceptual definition it means that in practice sustainable tourism should:

- 1) Make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity,
- Respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance, and
- 3) Ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty alleviation.

In addition, the UNWTO (UNWTO 2005) states that:

Sustainable tourism development requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building. Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts, introducing the necessary preventive and/or corrective measures whenever necessary. Sustainable tourism should also maintain a high level of tourist satisfaction and ensure a meaningful experience to the tourists, raising their awareness about sustainability issues and promoting sustainable tourism practices amongst them.

The major challenges linked to sustainable tourism development include, according to the European Commission (European Commission 2013) preserving natural and cultural resources, limiting negative impacts at tourist destinations, including use of natural resources and waste production, promoting the wellbeing of the local community, reducing the seasonality of demand, limiting the environmental impact of tourism related transport, making tourism accessible to all, and improving the quality of tourism jobs.

George et al. (2009, 197) conclude that for a rural community developing its tourism, sustainable rural tourism must become synonymous with sustainable rural community. Until recently, most of sustainable development concerns have generally been towards the environment and the local perspective has been forgotten (George et al. 2009, 177). It is clear, though, that all dimensions of sustainable development must be taken into account both on global and on local level when planning for sustainable tourism.

Sustainability is one of the key elements in the actions of the "Developing Sustainable Entrepreneurship and Promoting Local Handicrafts in the Rural Azerbaijan 2012-14" project. Tourism development has also been incorporated into the Azerbaijan's government strategy on poverty reduction. (Project plan 2012, 2.) The project is funded by and works based on the guidelines of the Finnish government development policy programme, and as such is committed to following the set sustainability principles and themes.

The Project plan (2012, 15) states the following long-term development objectives for the project:

- Contribute to development of a national ecotourism policy and development strategy;
- Achievement of the Millennium Development Goals in poverty reduction, healthy environment for all and gender balance;
- Development of infrastructure required by tourism, such as transport, communications, water supply and sanitation, public security, health services to benefit poor communities
- Development of ecotourism approaches and business in rural areas of the country
- Poverty reduction and sustainable development of rural and remote areas of Azerbaijan
- Strengthening of environmental protection and nature conservation matters by means of ecotourism development.

Issues related to sustainable tourism development will be discussed throughout this research. The ideas of sustainability are essential for the project and are taken into account in all of the actions and future development.

### 2.2.2 Cultural tourism

Culture has always been a major motivator for travelling, and cultural attractions have an important role in tourism locally and globally (Richards 2001, 4). Interest in the environment, culture and heritage is a primary motivation for more than 50 % of tourists and the percentage is estimated to be on the rise (Brooks 2011, 2).

Culture is not, however, only an economic driving force in tourism. Culture reinforces the local identities of communities and regions, and raises interest toward heritage (Richards 2001, 5). For example, the United Nations General Assembly (UNGA) has adopted a resolution emphasizing culture as an important contributor to sustainable development and the achievement of the Millennium Development Goals (Brooks 2011, 2). The UNGA specifically mentions recommendations to:

- Support the emergence of local markets for cultural goods and services
- Preserve and maintain local indigenous traditional knowledge and community practices in environmental management
- Promote capacity-building, where appropriate, at all levels for the development
  of a dynamic cultural and creative sector, in particular by encouraging creativity,
  innovation and entrepreneurship.

Tourism has a substantial potential for poverty alleviation, conservation of natural and cultural heritage, and to overall sustainable development. The potential is especially high in developing countries with relatively untouched natural resources and landscapes and where few other industries have such power. (Brooks 2011, 3.) Jansen-Verbeke & Priestley (2008, 5) also mention that cultural tourism might be seen as the "last train" in rural areas and agricultural economies that have been hit by a structural crisis. Tourism has the potential of absorbing low-skilled workers from other sectors, does not require high capital investments from entrepreneurs, and is a general regional booster and awareness raiser for local heritage.

In light of all this, culture is seen by many as the salvation of tourism. However, careful planning needs to be made to avoid excessive commodification and commercialization of culture for tourism needs. Richards (2001, 21) points out that a distinction needs to made between internal aspects ("the way of life") and external aspects (often product-related) of culture. The internal aspects should remain inalienable elements of the culture, while a variety of external products may be represented, displayed and sold.

Cultural heritage also refers to both tangible and intangible aspects. Brooks (2002, 4) makes the following comprehensive definition:

Intangible cultural heritage can be defined as embracing all forms of traditional and popular or folk culture, the collective works originating in a given community and based on tradition. These creations are transmitted orally or by gesture, and are modified over a period of time, through a process of collective re-creation. They include oral traditions, customs, languages, music, dance, rituals, festivals, traditional medicine and pharmacopeia, popular sports, food and the culinary arts and all kinds of special skill connected with the material aspects of culture, such as tools and the habitat.

Tangible cultural heritage encompasses the vast created works of humankind, including places of human habitation, villages, towns and cities, buildings, structures, art works, documents, handicrafts, musical instruments, furniture, clothing and items of personal decoration, religious, ritual and funerary objects, tools, machinery and equipment, and industrial systems.

As rural areas have become increasingly important sites for tourism, it is especially important to take the internal and external aspects of culture in account. Richards (2001, 12) sees the growth of rural tourism as a reflection of the middle class taste for authenticity and as a search for a lost rural past. As more packaged rural holidays and experiences are offered for the tourists "in search of the authentic" there is a real possibility that it can lead to deliberate re-creation or staging of traditional rurality.

Traditionally, cultural tourism has been seen as being about visiting sites and monuments. Richards (2001, 7) adds a new view to this definition and sees the distinction between cultural tourism and other forms of tourism in the learning function. He argues that a cultural tourist wants to learn and gain experiences about the culture and way of life of a destination. Richards also states that cultural tourism can therefore be seen as

covering both "heritage tourism" (related to cultural products of the past) and "arts tourism" (related to more contemporary cultural productions).

Attracting cultural tourists, in particular, has become a popular strategy for countries and governments to conserve traditional culture, to develop new cultural resources and to create a cultural image (Richards & Munsters 2010, 1). As the UNWTO expects the number of (cultural) tourists to grow exponentially in the future, the real challenge lies in channeling the energy into conserving the heritage resources of the cultural tourism destinations (Brooks 2008, 4).

In the case of Azerbaijan's rural communities, it will also be of key importance to pay attention to preservation of local culture. Tourism development and economic benefits cannot be put before the values of sustainability. It will be important to map and make visible the tangible and intangible assets of the rural communities, for them to receive the acknowledgement and appreciation they deserve. Once that is done, the next important step will be to separate and decide which features of the local culture can be reproduced and commodified for tourists, and what is the part of "internal culture" and traditions that the community wants to keep untouched.

This research will make use of the ideas of internal and external aspects of culture by Richards (2001, 21), tangible and intangible aspects listed by Brooks (2002, 4) as well as Jamieson's (George et al. 2009, 190-191) list of potential cultural resources to suggest an inventory of the rural communities cultural resources in chapter 4.3.

# 2.2.3 Rural tourism

Tourism is widely seen as the bearer of economic, social and infrastructural benefits to rural and less economically developed regions (Roberts & Hall 2001, 6). The land-scapes and communities in the rural areas, with their distinct and traditional cultures, are also increasing popularity as new tourism destinations and markets (George et al. 2009, 7).

It is, however, difficult to define or measure rural tourism. The terms 'rural' or 'rural tourism' share no global definition, instead different countries attach different meanings

and criteria to them (Roberts & Hall 2001, 10-11). Tourism that takes place outside the urban areas is also referred to as nature tourism, ecotourism, agrotourism, farm tourism, slow tourism and several others (Roberts & Hall 2001, 15). In addition to the difficulties in defining 'rurality', the fact that many rural tourists are excursionists (day visitors) makes it difficult to measure their impacts statistically or financially (Roberts & Hall 2001, 1).

According to Roberts & Hall (2001, 10), national governments often base the definition of 'rural' on the population density. Other definitions widen the criteria and may focus on, for example, the cultural and functional differences between urban and rural areas. Lane, as quoted by Roberts & Hall (2001, 12-14) suggests these three characteristics which clearly identify areas as rural:

- 1) Population density, although it varies enormously between and within countries,
- 2) Land use and economy, i.e. economies are based on traditional agrarian industries and extraction of natural resources,
- 3) Traditional social structures such as "a sense of community", "local rather than cosmopolitan culture" and a slower, more natural way of life.

Roberts & Hall (2001, 14) point out that "tourists are motivated by the desire to see or experience different, traditional lifestyles as part of the increasing interest in heritage". And although the divide between urban and rural is becoming increasingly blurred nowadays, many urban dwellers see life in the urban areas as being in contrast to their daily life and "as having been resistant to the throes of modernization and globalization". These assumptions of the tourists may or may not be false, but are, according to George et al., key perceptions in the rural tourism development. (George et al. 2009, 9.)

The features most attractive in the rural communities for tourism development are those within their distinct culture and heritage such as local images, symbolic artefacts, expressions and other intangibles (George et al. 2009, 166). Jamieson, as quoted by George at al. (2009, 190), has developed a typology of cultural capital for small rural communities including handicrafts, language, traditions, gastronomy, art and music, heritage resources, the nature of the work environment and technology, religion, education and dress.

Jamieson (George et al. 2009, 190-191) also provides a list of potential resources that can be used in making an inventory of a rural community's cultural capital:

- Historic resources, e.g. sites, buildings, districts, landscapes;
- Tangible and intangible ethnic features, e.g. settlement patterns, languages, lifestyles;
- Natural features, e.g. water, vegetation, dominant landforms;
- Sequences, e.g. sense of entry, clarity of route, visible approaches to dominant features:
- Visibility, e.g. general and targeted views, visual corridor;
- Detail and surfaces, e.g. street furniture, floorscape;
- Ambient qualities, e.g. wind, temperature, fog, noise, smells;
- Visible activities, e.g. people observing people; everyday life and special activities;
- Physical factors, e.g. boundaries, patterns;
- Daily environment, e.g. corner stores, open spaces where children play;
- Intangibles e.g. conversations, history, traditions, values, community, sense of security, emotions, lifestyles.

This listing will be used in chapter 4.3 when a recommendation for a survey of both cultural and nature-based resources is made.

Carefully managed rural tourism can make a significant contribution to the maintenance of traditional social and cultural structures of the rural communities. With proper management and planning, tourism can help maintain the unique character and culture of rural communities as well as help in balancing their economies and well-being. (Robert & Hall 2001, 14.) Especially noteworthy is that tourism is generally a field of business attracting the younger generation of entrepreneurs (Hemmi 2005, 193).

### 2.3 Research questions

This research will answer the following two questions regarding rural tourism development in the areas of Sheki and Lenkaran in Azerbaijan:

1. What are the existing resources and opportunities in the project regions for tourism development?

To answer this question, the author has made a field visit to both locations for observations and interviews. The goal of this research, however, is not to produce a ready-made list of the opportunities and resources, but to rather point out sustainable and cultural resources worth further consideration, and to make recommendations on how to utilize them further.

2. How can the project help the regions of Sheki-Gabala and Lenkaran-Astara develop rural tourism further?

Very little data, statistical information, or even marketing material is readily available regarding tourism within the project regions. The aim of the visits and interviews has thus been the gathering of opinions about the current state of tourism and development needs in the project regions. The observations and interviews will also be backed up by relevant theories and literature to help answer this research question.

The research discusses issues related to administrative development of the project only on a limited scale; more importantly it will concentrate on giving practical and feasible suggestions on local rural tourism development.

### 2.4 Data and methods

There is very little published data available on tourism in Azerbaijan, let alone on rural tourism in the chosen regions. For this reason, the primary data concerning tourism in Azerbaijan is collected through interviews conducted by the author during personal on-the-spot meetings, as well as over the phone and by e-mail. Personal interviews and observations in Azerbaijan have been conducted during 1-8 March 2014 during the field

visit to Baku, Sheki and Lenkaran. In addition, several meetings and phone interviews with the Project Manager in Finland have taken place.

Secondary data of the research comprises theoretical literature and articles, web sources and various project reports and plans. The development needs and themes that have arisen from the discussions with the local actors as well as from the materials are the basis for this research.

The research takes on a qualitative approach, i.e. "is concerned with subjective assessment of attitudes, opinions and behaviour (and) is a function of the researcher's insights and impressions" (Kothari 2004, 5). Qualitative research attempts to interpret phenomena in terms of the meanings people bring to them by studying empirical material, case studies, personal experience, interviews and texts. The data for qualitative analysis typically come from fieldwork. (Richards & Munsters 2010, 5.)

According to Sharma & Altinay (2012, 11, 23), qualitative research approach is especially of use in fields such as education, management and hospitality; the authors also state that many complex variables that survey research would not reveal in the field of hospitality can be found with a qualitative approach.

### **Interviews and observations**

Interviewing is the systematic collection of data through asking questions and carefully listening to and recording or noting responses concerning your research topic. Using interviews as a method for collecting research data generally provides access to a range of experiences, knowledge, descriptions of behaviour, and the meanings and definitions that people give to events. The technique is particularly useful for understanding how things are done in different contexts and by different groups. (Altinay & Paraskevas 2008, 107.)

Interviews may be formal and especially arranged for the purpose, or informal, taking advantage of opportunities to question people about a topic of interest (Altinay & Paraskevas 2008, 107).

All of the personal interviews conducted for this research have been semi-structured and discursive. The questions asked and the general sequence have been pre-determined, but

with most of the questions being open-ended and requiring the interviewee's personal opinion and thought. Semi-structured interview technique is generally used to find out about what is happening, to seek new insights, to identify general patterns and to understand the relationship between variables (Altinay & Paraskevas 2008, 113.)

The questions made to the interviewees reflect the theories of sustainable tourism, cultural tourism and rural tourism, as well as the project documentation. The interview questions aimed at canvassing the interviewees' views on the project contents and objectives, implementation, future prospects, as well on the state and development needs of tourism in rural Azerbaijan.

Observation, compared with other data collection methods, provides more detailed and context-specific descriptions. As a research method it is also used to validate or further explore information that has been obtained in interviews. It involves a process of constant questioning, comparing and contrasting data. (Altinay & Paraskevas 2008, 117.)

In this research observation is used for understanding and mapping the tourism resources in the project regions. By combining interviews and observation, new resources, opportunities, requirements and especially ideas on how the project could develop sustainable tourism were found.

# **Analysis**

Qualitative analysis, according to Altinay & Paraskevas (2008, 167), is the conceptual interpretation of the data as a whole. It uses specific methods in converting data into a logical description of the studied phenomenon.

The findings in qualitative research come from data collection by 1) in-depth, openended interviews; 2) direct observation; and 3) written documents. Interviews are used for getting insights from people about their experiences, opinions, feelings, and knowledge. Observation data consists of people's activities, actions, and behavior interpersonally and within organizations. Analysis of written documents may include various excerpts, quotations, organizational records, memoranda, correspondence, and official publications. (Patton 2002, 4.) The data gathered for this research will be analyzed using the theories of sustainable tourism, cultural tourism and rural tourism. The notes taken during the interviews as well as notes kept regarding the observations will be analyzed in order to look for recurring themes and replies on one hand, and on the other hand possible inconsistencies.

### 2.5 Content of the research

This thesis is organized into six chapters.

Chapter 1 briefly summarizes and gives an overview of the research problems and concepts that will be discussed in the thesis.

Chapter 2 introduces the theoretical framework, in particular the theories and previous research about sustainable tourism, cultural tourism, and rural tourism. The research questions as well as data collection and analysis methods used in this thesis are also explained.

Chapter 3 introduces the commissioner of the research, Sustainable Future NGO, and the project this research will serve, namely "Developing Sustainable Entrepreneurship and Promoting Local Handicrafts in the Rural Azerbaijan 2012-14". This chapter introduces the objectives set for the project as well as some of the results gained so far. An overview of the state of tourism in Azerbaijan is also given.

Chapter 4 discusses the first research question What are the existing resources and opportunities in the project regions for tourism development. This chapter also makes suggestions for future tourism development in the project regions on the basis of the theories applied.

Chapter 5 will answer the second research question *How can the project help rural* tourism development in Azerbaijan. In addition to the suggestions already made in the previous chapter, recommendations based on the observations and collected data will also be made.

Finally, chapter 6 will conclude the research and findings.

# 3 INTRODUCTION TO THE DEVELOPMENT PROJECT AND THE STATE OF TOURISM IN AZERBALIAN

This research is commissioned by the "Developing Sustainable Entrepreneurship and Promoting Local Handicrafts in the Rural Azerbaijan 2012-14" project. The project is coordinated by the non-governmental organization Sustainable Future and Turku University of Applied Sciences in Finland and a non-governmental organization Ekoloji Tarazliq (EKOT) in Azerbaijan, and funded by the Ministry for Foreign Affairs of Finland.

The project is implemented in three regions across Azerbaijan chosen for their ecological, historical and cultural heritage: the Absheron peninsula (including the capital Baku and its surrounding villages), the Sheki-Qabala region and the Lenkaran-Astara region. This research will concentrate on the latter two regions i.e. Sheki-Qabala and Lenkaran-Astara, however the theories and suggestions are also adaptable to other rural regions in the country.

# 3.1 Project sustainability

The project aims at developing sustainable entrepreneurship in particular in the field of tourism in the rural regions of Azerbaijan, which are rich in historical and cultural heritage. The project takes into consideration the environmental factors as well as the involvement of local communities. (Project plan 2012, 2.)

With the help of the project funding, local entrepreneurs will be educated in ecotourism business, tourist guiding skills, and administrational skills needed in running small scale businesses such as homestay accommodation and serving local food. Further, the project will help in finding ways to pass knowledge about local history, culture, arts and crafts on to the new generation of entrepreneurs and in making them aware of the potential of the cultural heritage to increase their income. (Project plan 2012, 2; Heikkilä 2013, 5.)

In accordance with the United Nations Millennium Development Goals (MDGs) and the Finnish Government development policy programme, the project also sets out to en-

hance women's position in the rural societies through the promotion of micro entrepreneurship. (Project plan 2012, 2; Heikkilä 2013, 29). Full responsibility of further development actions will gradually be transferred to local communities during the project implementation cycle (Project plan 2012, 12).

The development policy set by the Ministry for Foreign Affairs of Finland contributes to the global effort to eradicate poverty through economically, socially and ecologically sustainable development (Development policy 2014). The policy is based on the MDGs with the basic principle of eliminating extreme poverty. In addition to reducing poverty and inequality, the Finnish development policy supports freeing developing countries from their dependency on aid through strengthening their own resources (Principles of Development Policy and Development Cooperation 2014).

The below table shows the impact that the project will have on the development policy themes set out by the Finnish government (Project plan 2012, 31-32).

TABLE 1. Cross-cutting themes of the development policy

THEME	IMPACT	ADDITIONAL INFORMATION				
Impact on the environment						
Access to clean water and sanitation	+					
Environmental distress (soil, water, at-	++	Sustainable ecotourism will stim-				
mosphere, waste)		ulate people to save natural re-				
		sources				
Protection of biodiversity	++	The project will stimulate devel-				
		opment of biological conserva-				
		tion actions				
Sustainable use of natural resources	++					
(energy, consumption, erosion)						
Reducing gender inequality						
Division of work between men and	+					
women						
Women's access to income and their	++					
right to possess						
Women's participation in decision mak-	++					
ing						
Sexual health and reproductive rights	0					

Reducing violence	+						
Equal opportunities to education	+						
Supporting the most vulnerable groups (the disabled, ethnic or religious minori-							
ties, aboriginals, children)							
The most vulnerable groups as members of the community (attitudes towards the most vulnerable)	+						
Empowerment of the most vulnerable groups	+						
Equal rights to the most vulnerable groups	+						
Good governance and enhancing democracy							
Reducing corruption	+						
Strengthening the local skills on good governance	++						
Transparency of financial management and information	++						
Improving information exchange in the civil society	++						
Improving involvement in the civil society	++						
Impact options:							
	++	Significant positive impact					
	+	Positive impact					
	0	No impact					
	-	Negative impact					

# 3.2 Project objectives and results

Apart from the development objectives set in accordance with the Finnish government development policy mentioned in chapter 2.2.1, the project has the following direct objectives set specifically related to rural tourism development (Project plan 2012, 10, 15-16):

- Protection of areas valuable for their nature, history or culture
- Development of new income sources and "green jobs" (especially in the field of tourism) for local communities

- Strengthening women's role in the rural communities by increasing their employment rate (especially in ecotourism related work)
- Creation of new market for local communities to sell handicrafts
- Transfer of traditional handicraft skills to new generations
- Development of training materials on ecotourism.

These objectives set to target the following results: 1) strengthening public awareness on environmental, historical and cultural heritage of Azerbaijan, 2) train local communities in ecotourism and professional tour services, 3) train local communities, preferably the youth, in traditional handicrafts such as carpet making, 4) establishing new ecotourism centers in the region, and 5) strengthening the role of women in the society and creating jobs for women.

When interviewed about the implementation of the project objectives so far, Project Manager Jonna Heikkilä (2014) states that a good foundation has now been set for the project. Networking, creating contacts, and coverage for the project have been fairly successful, and indeed they are of essential importance in this type of a project carried out in such a highly bureaucratic country as Azerbaijan. According to Heikkilä, some tangible results include the support the project has given to the administration of handicraft clubs for the young in Astara and Sheki. These clubs have provided participants with new skills and instruction as well as helped them in selling the products and getting new income.

Heikkilä (2014) also sees the cooperation with the Tourist Information Centres as vital for the project and would like to see the project having part in developing the centers further in the future. There should also have bene two new centers opened up by the end of 2014. In addition, the project has recently established an association for the rural entrepreneurs, and the future association has potential on playing a significant role in marketing and developing local tourism in the near future.

In an interview with the local Project Manager Aytan Poladova (2014), she wishes to emphasize the importance of gender issues and the role of women in the project. Poladova states that all of the project actions have tried to maximize the involvement of local women in the activities, and in her view the corresponding results has been one of the best achievements of the project.

The project mid-term evaluation report (Heikkilä 2013, 30) also mentions the following tangible results gained:

- Distribution of project information, objective and goals disseminated to the population of the country through publication in mass media (three articles about the project activities, ecotourism and local handicraft development published in Zerkalo newspaper)
- Investigation and SWOT analyzes made in the target regions for ecotourism and entrepreneurship in local handicraft production.
- Four tourism needs assessment reports complied for the target regions
- Organization of student internships to project regions
- Organization of ecotourism training sessions in Qabala for local hotel staff, carpet makers, home stay accommodation providers, representatives of information and tourist centres etc.
- Handicraft training sessions organised in Astara.

During the project lifecycle several SWOT analyzes have been compiled by the project management, a separate project evaluation team as well as by tourism students who have done their practical training in the project regions. The below SWOT analysis is a compilation of various remarks in the Project plan, the Project mid-term evaluation report, the Evaluation report written by Lea Oksanen, and interviews with project managers Jonna Heikkilä and Aytan Poladova. It is shown as part of the research to give the reader an idea about the strengths, weaknesses, opportunities and threats that the project faces.

### **Strenghts**

- Theme of the project is very current and supported by the local government.
- Motivated and skilled project workers
- Supportive network of stakeholder in (especially Ministry of Tourism and Culture, Institute of Tourism, Tourist Information Centres in the target regions)
- Project objectives fulfil the governmental strategy of Azerbaijan for tourism and handicraft art development in rural areas of the country
- Local project coordinators have good local networks.

### Weaknesses

- Difference between reporting and documentation practices in Finland and Azerbaijan
- Local coordinators do not get to meet and share ideas together
- Local coordinators' lack of English language skills
- Unclear responsibilities and relations to the project of some actors.

# **Opportunities**

- Developing relationships with universities in Finland and in Azerbaijan (currently tourism students are offered training placements, through which they bring valuable new information for the project)
- Student cooperation encourages the local youth to develop international relations and skills
- Current government initiative to support rural development in Azerbaijan
- Various projects and organizations working for tourism development in Azerbaijan exist, they just need to be brought under the same network for more synergy.

### **Threats**

- Remote location of the target regions (physical access, problems in coordination between the regions)
- Bureaucracy
- Small scale tourism is not seen as important as mass tourism or business tourism
- Low attendance of women in the project issues (women are generally not encouraged to set up businesses and the attitudes towards handicrafts making are bad)
- Low interest level and activity of local communities in project activities
- Low support from local executive power and municipalities
- Political or social changes and instability in Azerbaijan
- When the project responsibility is handed over from the Finnish management, the threat is that sustainability and ecotourism are forgotten and tourism is developed for its economic benefits only
- General lack of education in environmental protection, recycling, and nature preservation.

# 3.3 Tourism in Azerbaijan

The Republic of Azerbaijan is located in the Caucasus region, bordered from its east side by the Caspian Sea, and sharing land borders with the Russian Federation, Georgia, Armenia and Iran. The country has a total population of 9 686 210, consisting of majority ethnic Azeri and Shia Muslim inhabitants. (Azerbaijan: city info 2014; The World Fact Book: Azerbaijan 2014.)

Azerbaijan was established as a democratic republic in 1918. Two years later, in 1920, it was invaded by the Russian Red Army and incorporated into the Soviet Union as a Soviet Socialist republic for seven decades. The country gained back its independence only in 1991 after the collapse of the Soviet Union. (The World Fact Book: Azerbaijan 2014.)



PICTURE 1. Map of Azerbaijan (Google Maps 2014)

During the recent years, Azerbaijan has enjoyed high economic growth rates, mainly attributable to its oil and gas industries. The country has, however, made only limited progress on instituting market-based economic reforms, and to this day the economy suffers from structural inefficiencies and lack of foreign investment especially in the non-energy sector. Corruption is widespread and the government is accused of authori-

tarianism. President Ilham Aliyev has ruled the country since 2003 and was elected for another five-year term in 2013. (The World Fact Book: Azerbaijan 2014.)

### 3.3.1 Tourism in the Soviet era

International tourism is a rather new phenomenon in Azerbaijan. During Azerbaijan's incorporation into the Soviet Union, especially during the 1970's-1980's, the country was a key regional tourist destination and the central planners made significant investments in the Azerbaijani tourism sectors. Even then, however, the tourism products and services were not on par with the Western standards, and the central planning approach did not take into account the development of intangible tourism assets such as innovation, creativity and customer service. (Rapid Tourism Assessment... 2004, 3.) As Imanova (2012, 4) puts it: "excessive bureaucracy together with the lack of competition between tourist resorts, organizations and establishments, all militated against improvements in the quality of service".

After the collapse of the Soviet Union in 1991 and the Nagorno-Karabakh conflict between Azerbaijan and Armenia (1988-1994), all tourism in Azerbaijan was brought to a standstill (Imanova 2012, 4). In addition to the lack of tourists, the industry also lacked the capacity and knowledge to market Azerbaijan as a unique tourist destination in the post-Soviet era (Rapid Tourism Assessment... 2004, 3). It was only in late 1990's - early 2000's when the country's economy began to recover and the government recognized tourism as one of the potential sectors creating new jobs and business opportunities. In 2001 Azerbaijan became a member of the World Tourism Organization, and in 2002 established state programmes for tourism development including reconstructing the tourism infrastructure and developing private sector business opportunities. (Imanova 2012, 4-5.)

Until quite recently the country has also suffered from a lack of educational institutes providing training in tourism and hospitality. Majority of the people working in the tourism industry have received no professional schooling or training. (Imanova 2012, 6.)

### 3.3.2 Contemporary tourism development

Since 2002, the government of Azerbaijan put strong emphasis on promoting tourism in the country. Still, most international tourists coming to Azerbaijan are business travellers who stay in the capital Baku. Rural areas of the country have so far benefited on the government investments on tourism only on a limited scaled. These areas continue to suffer of poverty, unemployment and out-of-area migration. (Heikkilä 2013, 36.)

The government of Azerbaijan began implementing a tourism development strategy in 2002. The first development programme's (made out for the years 2002-2006) top priority was the reconstruction of the country's tourist infrastructure. In addition to physical improvements, the programme also emphasized the training of key tourism personnel such as tour operators, guides, and other hospitality staff. (Rapid Tourism Assessment... 2004, 8.)

The most recent State Programme on Tourism Development for 2010-2014's objectives included 1) formulation of modern tourism corresponding to high economic, social, and ecological standards, 2) implementation of goal-oriented activities for bringing the country's tourism infrastructure up to high international standards, 3) formulating a business environment that encourages investment, 4) creation of efficient state regulation and operational mechanisms by using leading international experience, and 5) ensuring that the tourism field meets the standards of international quality, improving the region's competitiveness both locally and internationally. (Sheki-Zagatala economic region... 2014, 6.) The assessment report by Uluchay Social-Economic Innovation Center (2014) states, however, that the programme for 2010-2014 as well as the subsequent Azerbaijan 2020: Look Into the Future concept both lack details on how the plans should be implemented and what actions should be taken.

Regionally, the government has established seven Tourist Information Centres across the country to serve the needs of local and international tourists of the respective regions. For the time being, the centres are funded by the Ministry of Culture and Tourism, however, they are also directed towards seeking private funding through national and international cooperation (Nasib 2014).

Azerbaijan has a number of unique features favourable for tourism development. The opportunities are extensive especially in the fields of nature and cultural tourism. Different regions of the country offer a variety of tourist attractions in terms of culture, history, landscapes, and cuisine. The country also enjoys nine out of eleven possible climate zones in the world ranging from tropical to the alpine climate (Rapid Tourism Assessment... 2004, 4).

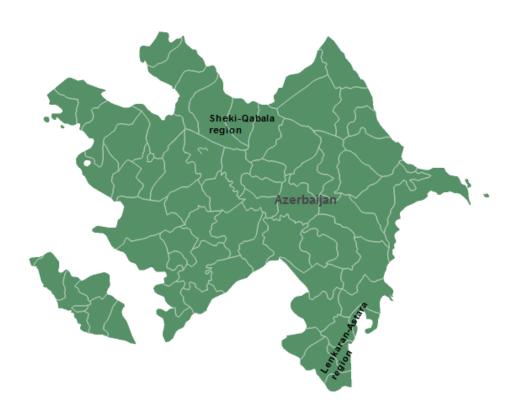
Unique nature and ecotourism opportunities lay especially in the sustainable use of the natural resources such as the 400 mud volcanoes, the variety of plant and animal species (4 300 plant and 18 000 animal species altogether), bird watching in the Caspian Sea (the area is a north-south migratory corridor), as well as the various possibilities for outdoor activities in all seasons such as fishing, hunting, rafting, hiking and skiing (Rapid Tourism Assessment... 2004, 4).

For the cultural tourist, Azerbaijan offers a rich history that has been influenced by Persians, Romans, Arabs and Seljuk Turks. Religious sites of Muslim, Christian and Jewish faith, and even the ancient religion of Zoroastrianism, are abundant. (Rapid Tourism Assessment... 2004, 5.) The country has also been on the travel route of the Great Silk Route connecting China to the Middle East and Europe (Sheki region brochure). Consequently, local cuisine, handicrafts, and traditions are an inviting and exotic mix of different cultural influences.

# 4 RESOURCES AND OPPORTUNITIES FOR TOURISM DEVELOPMENT IN THE PROJECT REGIONS

This chapter introduces the regions of Sheki-Qabala in northern Azerbaijan, and Lenkaran-Astara in the south-eastern part of the country. Although on the opposite ends of the country as seen in the blow map, both regions are rich in local culture and natural attractions suitable for tourism development.

This chapter discusses the existing resources, opportunities and potential for tourism development in both regions. Both research questions (What are the existing resources and opportunities in the project regions for tourism development? and How can the project help the regions of Sheki-Gabala and Lenkaran-Astara develop rural tourism further?) are visited when the resources are briefly introduced and later surveys concerning cultural and natural resources recommended.



PICTURE 2. Map of Azerbaijan showing the project regions (StepMap 2014)

# 4.1 The Sheki-Qabala region

The Sheki-Qabala region is located in the northwestern part of the country, up to 1 000 meters above sea level on the slopes of the Greater Caucasian Ridge. The total population of the region's 68 villages is 175 700 people. (Ministry of Culture and Tourism... Sheki 2014.) The region is the most popular destination in Azerbaijan for domestic tourism: each year around 15 000 tourists, 40 % domestic, visit the region. (Poladova 2014.)

The administrative centre of the region, Sheki, is an ancient city with rich culture and a variety of historical monuments. Through the centuries, the region has been known for its qualified craftsmen working with pottery, copper work, silk production, painting, embroidery as well as many other traditional crafts. Many of the time-honoured skills are still being passed on to the younger generations. (Sheki region brochure.). In fact, the city still has streets named after the ancient professions: *Duluzchular* (potters' street), *Zargarlar* (jewelers' street), *Halvachylar* (confectioners' street) to name a few (Ministry of Culture and Tourism... Sheki 2014).

Sheki has also been an important stop along the Great Silk Road that used to link European, Indian, Arabian and Far Eastern traders and merchants for centuries. A traditional caravanserai (picture 3), a roadside inn for travelers, has also been fully restored at the center of Sheki and it currently works as a high end hotel (Sheki Tourism Information...)



PICTURE 3. Restored caravanserai in Sheki (Azerbaijans.com 2014)

Apart from the **restored caravanserai**, some of the other historical tourist attractions of the region include the following:

Palace of Sheki Khan, the summer residence for the local Khans, is located inside the restored castle walls. The palace boasts traditional shebeke glass mosaic windows (picture 4) that have up to 7 000 details per square meter as well as detailed frescoes depicting flowers, animals, battle and hunting scenes painted during the eighteenth century (Sheki Tourism Information... 2014). Near the palace, work spaces for traditional artists including a shebeke glass mosaic master have been restored and are open to public.



PICTURE 4. Shebeke glass mosaic (Islamic Arts & Architecture 2014)

The **Albanian Christian church of Saint Eliseus**, the oldest church in the Caucasus region, is situated in the village of Kish (Visions of Azerbaijan 2008).

The Fazil village labyrinth built in the third century B.C. nowadays displays primeval artifacts and the everyday life of the ancient villagers (Sheki brochure by the Sheki Tourism Information Centre).

**Juma Masjidi**, the Grand Central Mosque, dates back to 1750 when it was built by Chelebi Khan (Sheki brochure by the Sheki Tourist Information Centre).

The potential for tourism is high: the region is well connected by road and rail to Baku and Tbilisi, it offers various historical and natural sights as well as accommodation and restaurants operating on international standards. (Sheki-Zagatala economic region...

2014, 8.) However, development is also in huge demand in many sectors of the tourism business. Director of the Sheki Tourism Information Centre Nasib Imamaliyev (2014) states that the most important short term objective and development goal is improving the marketing of the local handicrafts. He also points out that development must be targeted towards the small villages around Sheki, many of which have historical and natural sights and unique traditions to offer. Some villages even have their own language and customs not comparable with any other village in the region.

# 4.2 The Lenkaran-Astara region

The Lenkaran-Astara region is a sub-tropical area in the southeastern part of the country, near the Iranian border, with a total population of 213 000. The region is rich in flora and fauna, and it boasts many unique natural features such as thermal mineral waters, hot water springs and a noted national park. (Ministry of Culture and Tourism..., Lenkaran 2014.)

The main fields of employment in the region are agriculture, cattle breeding, fishing, silkworm breeding and bee-keeping. Various traditional arts and crafts such as carpet making and mat weaving, are also exercised in the villages around the city of Lenkaran. (Heikkilä 2013, 6.)

Annually, around 18 000-20 000 tourists visit the area. Tourism is, however, very seasonal and concentrated on the summer months. Additionally, majority of the visitors come from other parts of Azerbaijan or a handful of neighboring countries, namely Russia and Iran. (Heikkilä 2013, 14; Poladova 2014.) These two factors, seasonality and a limited number of tourist origin countries, make tourism in rural Azerbaijan very vulnerable.

Some of the important sights and resources of the region – easily developed into more lucrative and sustainable tourist attractions as well – include the following:

**Hirkan National Park** is located on the shores of the Caspian Sea encompassing a part of the Talish Mountains as well. Lake Hirkan and ruins of a historical fortress are also within the park precincts. The region around the national park is also known for a rare

tree species *Parrotia persica* or ironwood. Many local myths and stories tell about the wood that sinks, hence the name. (Hirkan National Park 2014.)

**Natural hot and cold water springs.** Several geothermal natural springs containing a high level of sulphide, chloride and sodium-calcium are located within an hour's drive of Lenkaran. The springs are used for recreational purposes as well as believed to have healing effects and used to treating rheumatism, among other things. Some springs also have attached bath houses and other facilities such as accommodation, massage and restaurants. Currently, though, many of the bath houses and the required tourism infrastructure are in a poor condition and need refurbishing. (Heikkilä 2013, 17; Turkia, Savikoski & Murmann 2013, 2; Poladova 2014.)

**Beaches**. One of the natural highlights of the Lenkaran-Astara region is its proximity to the Caspian Sea, however beach barriers have been constructed in many places in order to prevent erosion (Heikkilä 2013, 14).

**The Circular Tower** in the city center has been built in 1747 and later used a prison. One of the prisoners of the tower has reportedly been Josif Stalin. (Authentic Azerbaijan, 2015.)

Many of the challenges mentioned by people working with tourism in the Lenkaran-Astara region are similar to those in the Sheki-Qabala region. Local Project Coordinator Vamiq Babayev (2014) mentions that especially the handicraft makers need more support and business skills training. Head of the Tourist Information Centre in Lenkaran, Samir Akhundov, adds that lack of marketing material is the most urgent obstacle that needs to be tackled. Akhundov would also like to see the project clarify its target; in his opinion domestic tourism should be developed prior to international tourism. (Heikkilä 2013, 14.)

# 4.3 Survey of cultural and nature-based resources

According to George et al. (2009, 193) it is essential for the development of cultural tourism to take into account local resources other than important historical and architectural buildings and sites too. Cultural capital and knowledge consists of many intangi-

bles: "history and landscapes, symbolic meanings, rituals, expressions, social customs and processes, unwritten stories, music and art, cultural cuisine, community idiosyncrasies and characteristics, patterns, folklore and myths, community identity and sense of place, hospitality, friendliness and so on". George et al. (2009, 193) also mention that it is generally assumed that older, rural communities are laden with such intangibles, and thus possess a richer cultural capital than more new or more urban communities.

The cultural intangibles mentioned by George et al. are usually exclusive to a particular community, and so contribute greatly to its uniqueness and identity and act as potential resources for developing a unique tourism product. In fact, the idea of giving value to intangibles and adding value to a product with an intangible feature such as service or hospitality is of key importance in the tourism industry in general. (George et al. 2009, 194.)

Tewes-Gradl, van Gaalen & Pirzen (2014, 11) point out that the "new tourist" is looking for memorable and emotional experiences. To meet the requirements and wishes of the tourists, innovative tourism products and services that are more adventurous, more personalized and more attuned to local culture must be developed. The new tourists also demand experiences such as learning about the visited country and its people, and opportunities to interact with local people in their daily surroundings.

In general, projects aiming to develop local rural culture or cultural tourism strive to find and productize cultural phenomena. These phenomena mostly involve 1) local history and traditions, such as historical trails and prominent figures, 2) folklore, i.e. the cultural, historical or mythical characteristics of the local people, way of life or livelihood, 3) tangible or intangible cultural heritage, or 4) prehistoric buildings, artefacts or cultural landscape. (Hemmi 2005, 219.)

The tourism product is often a commodification of local culture or history, or is based on the local natural environment. The literature regarding sustainable rural tourism development contains various ways in which to categorize and organize tourism resources. Based on the literature, it is recommended that the project conducts a survey mapping the cultural as well as nature-based resources in the project regions. The survey results will clarify the existing resources and opportunities, and possibly give further ideas to the local community and tourism developers as to what aspects should be developed and

commodified. In addition to tangible cultural resources, it is also important to bring forward the traditions, customs and folklore, and through this process look for ways to build sustainable cultural tourism experiences.

The below table is based on the Jamieson's (George et al. 2009, 190-191) list of potential resources that can be used in making an inventory of a rural community's cultural capital, and Brooks' (2002, 4) definition of tangible and intangible aspects.

TABLE 2. List of tangible and intangible cultural resources

Historic resources; sites			
Historic resources; buildings			
Historic resources; districts			
Historic resources; landscapes			
Historic resources; others			
Ethnic features; language			
Ethnic features; lifestyle			
Ethnic features; others			
Natural feature; water			
Natural feature; vegetation			
Natural feature; dominant landforms			
Natural features; others			
urfaces; street furniture			
Surfaces; floorscape			
Surfaces; others			
Ambient qualities; wind			
Ambient qualities; temperature			
Ambient qualities; noise			
Ambient qualities; smell			
Ambient qualities; others			
Visible activities; everyday life			
Visible activities; special activities			

Visible activities; others	
Daily environment; corner stores	
Daily environments; others	
Intangibles; conversations	
Intangibles; history	
Intangibles; traditions	
Intangibles; values	
Intangibles; community	
Intangibles; sense of security	
Intangibles; emotions	
Intangibles; lifestyles	
Intangibles; customs	
Intangibles; music	
Intangibles; dance	
Intangibles; rituals	
Intangibles; festivals	
Intangibles; traditional medicine	
Intangibles; sports	
Intangibles; food and culinary arts	
Intangibles; others	

In case of Sheki-Qabala region, essential resources include among others shebeke glass mosaic art, local cuisine and specialities such as *sheki baklava* and *piti* soup, and the annual international music festival. Tales and folklore should also be gathered and listed – for example the street names that still depict the ancient professions (*Duluzchular*; potters' street, *Zargarlar*; jewelers' street, *Halvachylar*; confectioners' street etc.) could work as the basis for walking tours or handicraft tours for tourists (Ministry of Culture and Tourism... Sheki 2014).

Listing the resources, especially the intangible ones, will make it easier for the people developing tourism and new tourism products to make good use of them. Using local traditions, history and storytelling will potentially also help when designing new marketing material and when training new tourist guides. At the moment, this is an example

of what a tourist may experience when visiting one of Sheki's most important sights (Sheki-Zagatala economic region... 2014, 23):

...the Khan's Palace may be beautiful, but as Dr. Richter's report notes the guides — repeat all the facts they have learnt by heart. There is no story telling making history alive. Guides are not trained to turn a visit into an experience. A recent visit to the Khan's palace by one of this report's writers included a guide who did not say a single word and simply ushered the group from room to room.

Destinations also often struggle in getting tourists to venture beyond the most important sites and cities (Global Report on Adventure Tourism 2014, 35). Developing interesting tours and routes around different cultural resources might help, as well as combining nature-based activities in the itineraries.

Thus, in a similar manner a survey regarding nature-based activities and resources should be made. The following list of nature tourism activities is offered by the Adventure Travel Trade Association (Global Report on Adventure Tourism 2014, 12).

TABLE 3. List of nature-based activities and resources

Archeological expedition
Backpacking
Bird watching
Camping
Canoeing
Caving
Climbing
Fishing
Hiking
Horseback riding
Hunting
Kayaking
Orienteering
Rafting

Sailing
Scuba diving
Snorkeling
Skiing
Snowboarding
Surfing
Trekking
Walking

Both project regions are said to have scenic hiking and nature watching opportunities, among other things. Currently, though, signage and trails are minimal. Maps with suggested itineraries including overnight campsites and home stay accommodation should be produced and actively offered to tourists.

### 5 SUSTAINABLE TOURISM DEVELOPMENT FOR THE FUTURE

This chapter discusses the research question "How can the project help the regions of Sheki-Gabala and Lenkaran-Astara develop rural tourism further" and lists potential development actions and issues for the future. The chapter will deliberate the issues in relation to the theories of sustainability, cultural tourism, and rural tourism.

Contrasting will also be made with similar rural tourism development projects; one carried out in Central Finland during 2000-2013 and reported by Ahonen and Ruponen, and another in Morocco during 2002-2005 coordinated by the United States Agency for International Development (USAID).

The project has by now built a solid foundation in Azerbaijan, and relevant information has been gathered in regard to the resources, preconditions and the state of rural tourism in Azerbaijan. Building on this foundation and the theories mentioned before, the suggestions given in the following subchapters will further help the project management in deciding how to allocate project resources in the future.

The project has, at the time of writing the research, secured further funding from the Ministry for Foreign Affairs of Finland for the years 2015-2017. The coordination of the project will also be transferred from Turku University of Applied Sciences to Kajaani University of Applied Science.

## 5.1 Clarifying the focus

According to the reports and interviews made for this research, the focus and target group(s) of the project have been unclear to many working for it. For instance, the project mid-term evaluation report (Heikkilä 2013, 26) unambiguously states that "the roles, responsibilities and project tasks should be clarified". Consequently, the first step in the development process should be clarifying the basic project definitions.

The most important project objectives have been written down in the Project plan as follows:

- Protection of areas valuable for their nature, history or culture
- Development of new income sources and "green jobs" (especially in the field of tourism) for local communities
- Strengthening women's role in the rural communities by increasing their employment rate (especially in ecotourism related work)
- Creation of new market for local communities to sell handicrafts
- Transfer of traditional handicraft skills to new generations
- Development of training materials on ecotourism.

Further, the Project plan (2012, 19-22) shows a table pointing out the actions and schedules to be followed in order to reach the set objectives. Some activities are mentioned in a very clear way whereas others are quite vague (for example "stakeholder meetings" or "handicraft training").

There are also other issues regarding the focus and target of the project that are in need of clarification. According to Ahonen and Ruponen (2007, 63) the target group of a tourism development project needs to be very precisely defined and the objectives for development clear to all participants. Three subjects, in particular, need further attention:

- 1) Is the project focused on the local *entrepreneurs* and in developing their skills, or on attracting new rural tourism *customers* (i.e. on developing marketing)?
- 2) If the focus is on the local entrepreneurs, is the aim to develop and support the *existing* entrepreneurs, or to create *new* jobs and train *new* entrepreneurs?
- 3) If the focus is on attracting (i.e. marketing) tourism and tourists to rural Azerbaijan, is the target group *local* tourists, tourists from *neighbouring* areas and countries, or *international* tourists?

As Heikkilä (2012, 25) mentions: "for tourists coming from a distance, the way of life of the locals can be exotic and creating value and attraction in itself. For tourists from nearby locations the experience might be so similar to their own livelihood and thus they might look for different kinds of experience". Ahonen and Ruponen (2007, 33)

also add the importance of duration and purpose (business / leisure / meeting friends and family and so on) to the list of factors influencing the needs and wants of tourists. Azerbaijan is also home to a large expatriate community, and although they are in a way "international" as oppose to "local" they form a completely different target group than people specifically travelling to Azerbaijan for business and leisure.

It is evident that some defining must be done for it does not seem purposeful or functional to plan development actions for all of the before mentioned target groups. It would also be of essential importance to define and record the responsibilities of the Tourist Information Centres working on the regions. It would seem logical to divide the work so that they are in charge of "external" customers and the project helps in developing the "internal" customers, i.e. the local communities. That would mean that the TICs would claim main responsibility for, among other things, the marketing actions. And if the marketing responsibility is assigned to them, does the project really need to put its resources in designing marketing material?

A proper strategy can only be done after the focus is clear. The project management may also need to *not* focus on certain aspects and fields where there are other projects or institutions already working or where the project would not bring any added value.

# 5.2 Involving local communities

In order for the project to reach its goals in regards to sustainability, the local communities must be involved throughout the process. Tourism development, especially in rural communities, will have an impact on the lives of all citizens, whether they are beneficiaries or not (George et al. 2009, 161). Rural tourism also capitalizes local producers, entrepreneurs and products more than other types of tourism do, and thus also benefits a wide network of local businesses and subcontractors (Hemmi 2005, 197).

The handicrafts business is in many cases an essential part of rural tourism. It will bring new entrepreneurship, subcontracting, secondary industries and income, especially for women in the countryside. The crafts and related services are also important in reinforcing local culture and tradition. Regional collaboration between handicrafts, culture and tourism supports the development of rural regions. (Hemmi 2005, 220.)

Tewes-Gradl et al. (2014, 25-26) have produced a list of potential opportunities, benefits, challenges and solution strategies (figure 1) as well as their linkages in the areas of tourism activities and local crafts – two of the areas where they suggest local communities can add particular value to tourism.

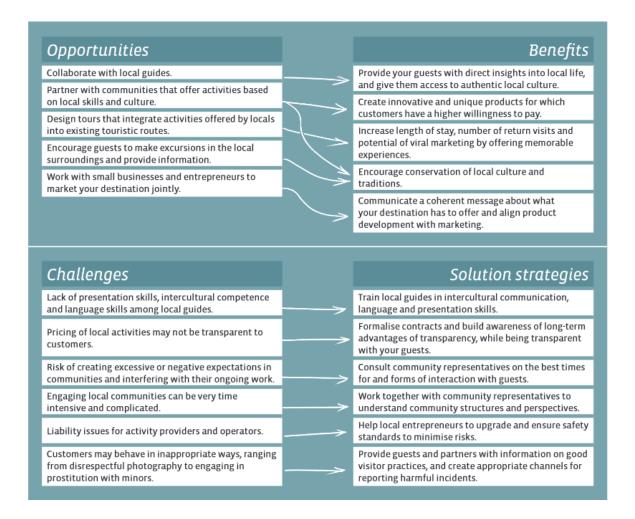


FIGURE 1. Opportunities, benefits, challenges and solution strategies in the field of tourism activities.

Similarly, the potential opportunities, benefits, challenges and solution strategies concerning handicrafts are listed below.

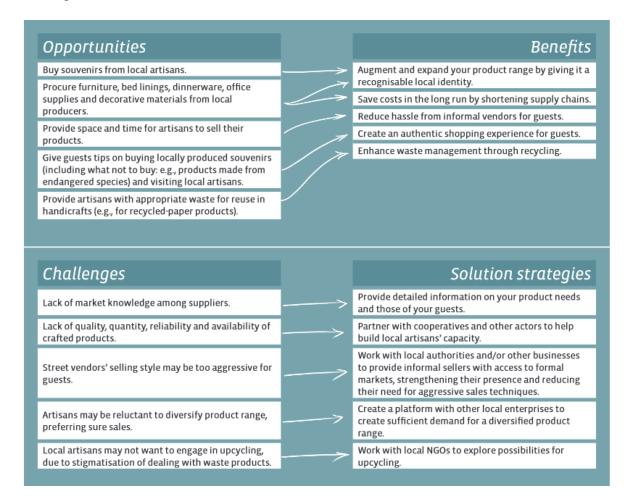


FIGURE 2. Opportunities, benefits, challenges and solution strategies in the field of handicrafts.

The most important local beneficiary groups of the project – women, handicraft workers, homestay providers and tour guides – all offer products or services that fall in the categories mentioned by Tewes-Gradl et al.

According to Poladova (2014), meetings with especially local women and youth have been organized to inform them about the benefits of working for tourism. Heikkilä (2014) sees that it would be essential to find out how many new women entrepreneurs have started working during the project and if they feel that their situation has improved. The local project coordinators also worry about how they can attract new entrepreneurs to work in tourism and how they could support the passing on of traditional handicraft skills to future entrepreneurs.

Capacity building and sustainability are essential goals for any tourism development project. Knowledge, skills, methods, and databases should be created and developed, and finally transferred to local partners and communities.

### 5.3 Workshops and training

Arranging workshop and training has been one of the most focal parts of the project's actions. In the future, even more training is hoped for by the local tourism developers and the entrepreneurs themselves.

Training programmes in rural tourism should bring about multiple benefits and develop commitment amongst those involved. The aim of tourism training is to make the local entrepreneurs more profitable and help the communities gain more visitors. Training should also help the local planners and administrators to understand the need to plan rural tourism in a more sustainable way (Tourism Strategies and Rural Development 1994, 47).

The Organisation for Economic Co-operation and Development (OECD) highlights the following essential training needs in case of individual entrepreneurs: basic knowledge of the tourism industry's structure, facts and trends; basic knowledge of the trends in rural economy and society; principles of sustainable tourism; skills in lodging and accommodation management; basic business skills; marketing skills; assertiveness training, negotiating and hospitality skills; linguistic skills; and knowledge of the history, traditions and geography of the local area. (Tourism Strategies and Rural Development 1994, 48.)

Much of the same training needs have come up in the research interviews, too. Poladova (2014) mentions the need for training in these areas: 1) business skills including sales, marketing, taxation, business planning, budgeting and management, 2) sustainability issues, 3) information technology, and 4) product development. The local coordinators in the project regions also added basic hospitality skills and help for the local entrepreneurs in setting up networks.

While it is clear that more training is needed, the project also needs to carefully decide who is trained and with what methods. Ahonen and Ruponen (2007, 62), for example, are of the opinion that tourism development projects should act as the organizers of training for specially defined audiences only. More than organizing the trainings themselves, they should look for opportunities to organize them together with other projects, institutions or NGO's. Ahonen and Ruponen also mention that stakeholders and target groups should be given the chance to participate in planning the contents, methods and targets of the training. This way all parties will be committed to the training and overall project execution.

Heikkilä (2014) further mentions that it is extremely expensive to hold training sessions in Azerbaijan. Taking this into account as well as the project objectives and targeted beneficiaries, the project should define the groups that will be trained. Is the purpose to train the existing local entrepreneurs or those seeking new opportunities as entrepreneurs? Should the entrepreneurs be trained directly or rather "train the trainers"? According to Heikkilä, it has also happened that the project has funded the training of local hotel employees who are currently not entrepreneurs nor wish to become such.

#### 5.4 Material and information

Regardless of the chosen target groups, proper information and material (training material, info material, marketing material) are of key importance in tourism development.

The project regions seem to have strong potential for tourism development. Nevertheless, access to local services is difficult for foreign tourists due to insufficient information channels, lack of marketing, and an unorganised structure of local networks. Producing marketing material on local home-stays, handicraft makers and other entrepreneurs should be developed and materials disseminated through the Tourist Information Centres, websites and social media in different regions as well as in Baku. (Heikkilä 2013, 28.)

Another issue concerning tourist information is the lack of signage, maps and information on other travel related issues such as public transportation. The travel report written by Turkia et al. (2013, 4) has the following example on travelling in the project regions:

The car won't entirely solve the problem because you should somehow find your way around and there is virtually no signs to point you to the right direction. These places are hard to find and the infrastructure is very bad. Outside Baku the roads are in a poor condition, there is no street lights out of larger cities, there are no signs and maps are really hard to find.

The authors of Sheki-Zagatala economic region: Assessing tourism potential (2014, 8, 10) also mention the limited supply of information and material. The report states that in the lack of official information, "visitors are often forced to rely on locals and outdated and inaccurate information combed from a variety of source". They also give this example:

Local private houses serving as guest houses are unknown because they lack marketing skills. Local and foreign tourists are able to find such houses only through chance encounters with locals who may know of these houses, but otherwise there is no central booking or referral system.

As to marketing, the report (Sheki-Zagatala economic... 2014, 10) states that the local tourism sector has no marketing skills nor does it seem interested in developing marketing. The steps the report suggests to be taken include updating websites, disseminating information about the region and local services, and advertising on international tourism websites.

Heikkilä (2014) wonders if creating a single marketing platform for all of the regions would help in the development work. For instance, the local project partner EKOT could collect information about local sights and services in the regions and then produce material for each region to use further in their marketing efforts. In this way, the coordinating partner would stay on top of the design of all material as well as of any national campaigns, requirements etc.

As an example, in a similar type of a rural tourism development project by the USAID in Morocco, a strong visual identity for rural Morocco was created as the first marketing step. It included designing a series of graphic elements that were carried through all promotional materials to establish a consistent and recognizable brand for rural tourism. Each of the project's destinations were additionally designed an individual logo reflecting the destination's unique features. Then, leaflets featuring each destination's local attractions and activities were produced and distributed through tourist information offices, tourism fairs, direct mailings to tour operators and tourism promotion offices abroad. All the leaflets were printed in at least two different languages based on where the potential tourists came from. (Promoting rural tourism... 2006, 19.)

A recent development in the right direction in Azerbaijan is the establishment of a new ecotourism organization Unicheck by the project. According to Poladova (2014) the organization's web page will be maintained and coordinated from Baku and developed to include information about, among other things, the different homestay and other service providers throughout the country.

When developing marketing material, it is worth taking into account that if the information on the service provider's webpage is insufficient or completely lacking, the tourists will probably not end up using the said service at all. However, as stated by Ahonen and Ruponen (2007, 34) oftentimes the tourists do not know exactly what and where exactly they plan to do during their trip. For example, the general idea of "relaxing" can end up meaning a variety of different things depending on the tourist and on what is on offer in the destination. Thus, the products and services offered must at all times be developed, be up-to-date, and be actively offered to potential customers.

Ahonen and Ruponen (2007, 35) also give an example about the need to proactively offer and update the services offered. In a survey they conducted for tourists renting holiday homes in a specific area, 80 % of the respondents said that they had not used any programme services in the region. Yet, when asked which services they would be willing to use, an extensive list of distinct services and events was produced.

### 5.5 Networking

Deuchar (2012, 32) defines a tourism network as "a set of formal, cooperative relationships between appropriate organization types and configurations, stimulating interorganizational learning and knowledge exchange, and a sense of community and collective common purpose that may result in qualitative and/or quantitative benefits of a business activity, and/or community nature relative to building profitable and sustainable tourism destinations".

Connections with other actors in the same geographical area, in this case a tourism destination, are especially important in reducing leakages towards other regions or even countries and to stimulate a multiplier effect on local employment and income creation (Vanneste & Ryckaert 2001, 2).

Networking and cooperation between local entrepreneurs integrates the local communities in the growth and financial benefits of a tourism destination. The opportunities that the tourism destinations bring to small businesses and entrepreneurs are virtually endless. To develop networks and working in shared projects, it is essential that all players commit to common goals. It is also very important that the community supports networking in all ways possible. (Ahonen & Ruponen 2007, 35.)

Deuchar (2012, 33) places the benefits of tourism networks to small and medium sized entrepreneurs in three main categories: learning and exchange, business activity, and community. The benefits are listed in the below table.

TABLE 6. Benefits of tourism networks

Learning and exchange	Knowledge transfer, tourism education, process, communication, facilitation of the development stage of small enterprises
Business activity	Cooperative activities (marketing, purchasing, product development), extending visitor seasons through enhanced product quality and visitor experience, inter-trading within the network and enhanced cross-referral
Community	Fostering common purpose and focus, more income staying locally, community support for destination development, engagement of SME in destination development

The most affordable method for marketing within networks is utilizing the members' and partners' existing channels and customers for everyone's benefit. When the network uses such internal marketing each member refers their customers to use the products and services of other members as well. The members, either by themselves or through a parent organization, agree on possible commissions, discounts or rewards, so that the operations are lucrative and motivating for all. When the network functions well, all members will potentially gain new customers. (Ahonen & Ruponen 2007, 54.)

In the project regions, the project should find ways to support and develop networks of local entrepreneurs. The responsibility must remain, at least in the first stage, with the project or with a local Tourist Information Centre as the local entrepreneurs do not have the resources or knowledge about working as networks. In practice, the homestay providers should recommend local tour guides, handicrafts etc. to their customers and vice versa. A clear agreement regarding possible commissions or discounts should be drafted by the coordinator (the project or the local TIC) as well. Brochures, maps and other material should also be readily available for the tourists with each entrepreneur. Another idea worth considering is a common market place (brick and mortar and/or online) for

the handicraft makers, where the offering and pricing takes into account sustainability and local traditions.

Heikkilä (2014) further adds that involving local and national decision makers in the working of the local networks would be of major significance. They need reassurance of the fact that the rural regions do not need massive hotel complexes or resorts but sustainable solutions that will benefit the whole community.

Networking and creating synergy with other stakeholders has its challenges as well. The project has a strong network with local NGOs and municipalities working in the same field of business and it seems that a lot of overlapping work and plans are being made. It would be advisable to, in addition to clarifying the responsibilities within the project, also clarify the areas of responsibility between the different actors working with tourism development. This would make it possible for each individual actor to benefit from the mutual synergy while being able to focus their valuable resources on their specific goals and objectives.

### 6 CONCLUSION

The aim of this research was to find ways to support the development of sustainable tourism in rural Azerbaijan. The work was commissioned by the project "Developing Sustainable Entrepreneurship and Promoting Local Handicrafts in the Rural Azerbaijan 2012-14", which is funded by the Ministry for Foreign Affairs of Finland. Two project regions have been selected for further examination: Sheki-Qabala in the northwestern, mountainous part of the country, and Lenkaran-Astara in the southeast near the Iranian border.

The perspective of the research was that of a small NGO's, and the research questions (What are the existing resources and opportunities in the project regions for tourism development? and How can the project help the regions of Sheki-Gabala and Lenkaran-Astara develop rural tourism further?) reflected that.

Research data was collected through interviews, observations, as well as various documents. Theories discussed and used as the basis for development ideas included those regarding sustainability and sustainable tourism, cultural heritage and cultural tourism, and rural tourism. It became quite evident in the course of the research process that the theories and terms – local culture, rural tourism, and sustainable tourism – are intertwined and rural tourism or sustainable tourism cannot exist without local culture.

Tourism in Azerbaijan is very much centered in the capital city Baku. Foreign visitors rarely venture outside the city limits, although the rural regions have an abundant cultural and natural supply of tourism activities. In addition, despite the Azerbaijani government's development actions, the tourists complain about poor tourism infrastructure and signage, lack of information such as maps and brochures, and poor access to local culture such as home stay accommodation providers.

As the research explains, cultural capital comprises both tangible and intangible features. In addition to historical structures and architecture, features such as "landscapes, symbolic meanings, rituals, expressions, social customs and processes, unwritten stories, music and art, cultural cuisine, folklore and myths, community identity" (George et al. 2009, 193) must be included in the overall collection of cultural capital of a destination.

Based on this statement, the research recommends that a survey of the project regions' cultural as well as nature-based resources is made, and in it both tangible and intangible features listed. The "new" tourists are increasingly looking for adventures as well as authentic encounters with local people and local culture. By using the knowledge about both tangible and intangible cultural and natural resources, the tourism planners and developers will be more likely to succeed in constructing tourism products and services that appeal to the customers while being sustainable and rewarding for the local community too.

The research also suggests that the focus of the development project is clarified, especially in terms of roles, responsibilities and tasks of those involved in the project implementation. Similarly, defining the project target group is recommended. A remark is also made about the importance of involving local communities.

Particular development needs arose from the interviews made for the research, namely those of arranging workshops and training for local entrepreneurs, developing marketing material, and developing networking skills. Issues relating to these development areas have been taken up, and contrasting has been made to similar tourism development projects carried out in Finland and in Morocco.

Sustainability and sustainable development of tourism are the key objectives of the project. Indeed, tourism has the power to promote sustainable cultural, social and environmental development, if managed properly. The potential for economic and social benefits that sustainable tourism development can bring is especially high in developing countries where the landscape and natural resources remain relatively untouched (Brooks 2011, 3).

For the rural regions of Azerbaijan this holds great potential. By developing the skills of the local entrepreneurs and making use of the existing cultural and natural features, it is possible to develop innovative and authentic tourism products and services. In addition the project, according to its objectives, will continue to foster sustainable local development and thus enable new sources of income and jobs, pass down local traditions to future generations and empower local communities.

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