



RESEARCH PAPER

**Political Economy and Tourism Policies in the Golden Ring Countries:
Comparative Assessment and Future Directions**

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ABSTRACT

Tourism is one of the most prominent and rising industries in the world economy. It plays a key role in promoting the economy of every nation. Increasing tourism flows can offer favorable economic results to countries, by directly increasing Gross National Product (GDP) and employment. This implies that tourism acts as a catalyst for economic growth. The article aims to explore the political economy of tourism of Golden ring countries. It elaborates the tourism policies of "Golden Ring Countries" and examines the influence of these policies on their economic development. The study adopted a qualitative secondary approach. By elaborating tourism policies of golden ring countries this paper attempted to highlight the need for a combined trade policy for the Golden Ring economies. The main findings from this study reveal that economic growth is significantly driven by tourism development. This study recommends that legislators should concentrate on policies that focus on promoting tourism because of its huge potential across the region.

KEYWORDS Golden Ring, Tourism, Political Economy

Introduction

Political Political economy reflects the political dimension of policy-making and how political scenario influences societal choices. It enables to comprehend the systems and social links that make up societies in order to initiate social change towards a more democratic and inclusive set-up (Mosedale, 2010). Political economy spans various disciplines leading to an array of approaches labeled as such. The study of tourism and government policies can also significantly benefit from a political economy approach (Bramwell, 2011). This approach assumes that the government plays a significant role in tourism management and promotion (Wang & Bramwell, 2012). The government is the primary player in the political system of tourism (Bramwell, 2011), and it has traditionally taken a more interventionist position in this industry as compared to others (Ruhanen, 2013). Government intervenes in tourism for political, economic, and environmental reasons (Nyaupane & Timothy, 2010) through institutional ministries, other entities, laws, and numerous funding initiatives and programs (Elliot, 1997 as cited in Nunkoo & Smith, 2013). As per Hall (2005), every State has seven major responsibilities regarding tourism, namely: planning, coordination, entrepreneurship, law and regulation, social tourism, stimulation, and public interest protection. Government intervention in tourism has traditionally been motivated by economic considerations (Bramwell, 1994). Later, states' involvement in the industry expanded beyond economic concerns to resolve the environmental and social repercussions of development owing to the negative impacts of tourism and local inhabitants' unwillingness to embrace development. In the 1980s, the concept of sustainable development gained traction, prompting governments to take on more roles and responsibilities in tourism planning (Ruhanen, 2013). Thus nowadays, to garner political support for the tourism sector, governments are increasingly attempting to strike a balance among tourism development, economic goals, and the environment. (Bramwell, 2011).

Foreign investments are the key source to foster tourism- as a means of integrating people and states into the global economy. Almost every nation in the world today pitches its heritage, natural environment, and culture, to tourists. The tourism industry has gained worldwide recognition as a catalyst for economic development, agricultural development, energy sector, and poverty eradication. Although researchers have contradictory opinions, it is usually assumed that the development of tourism leads to economic stability (Adnan Hye & Ali Khan, 2013). Governments endorse and facilitate tourism because of its high multiplier effects in terms of creating jobs, raising foreign exchange profits, improving the balance of payments, and stimulating tourism supply sectors; additionally, all these steps contribute to poverty alleviation (Zhao & Ritchie, 2007). Tourism development spurs economic growth by bringing in new "foreign direct investment" (FDI) and building new amenities (Tang, Selvanathan, & Selvanathan, 2007). Potential business tourists are drawn to investment prospects through knowledge, business-friendly settings, and available human resources (Fereidouni & Al-Mulali, 2014); and foreign investors create tourist sites such as resorts, hotels, recreational areas, and transportation and energy generation systems (Fereidouni & Al-Mulali, 2014).

Tourism development is seen as a means of generating employment and revenue (Khalil, Kakar, & Malik, 2007). Through commodities commerce and the import of goods and services, and improving other sections of an economy, tourism boosts foreign exchange earnings (Durberry, 2004). The data indicate that tourism development has 3 types of economic impact: direct, indirect, and induced (Dwyer et al., 2000). The revenue increase from motels, eateries, and tourism organizations is an indication of the direct impact. On the other hand, the indirect impact is caused by flows such as restaurant and hotels purchases supply made by local businesses. When the recipients of direct and indirect effects (such as businesses and their workers) spend their money, induced impact takes place. As a result of multiplier effects, tourist development has an impact on numerous dimensions of the economy (Khan, Seng, & Cheong, 1990).

The Concept of Golden Ring Countries

In the age of globalization tourism has multiple cross-border impacts. A basic idea associated with the concept of globalization and tourism is connectivity. After the fall of the Soviet Union, America became the unchallenged global power. However, China's spectacular development – both militarily and economically – made it a formidable competitor to the US. China deliberately built ties with regions that the United States overlooked or intimidated. Lately, a "golden ring" of China, Pakistan, Russia, Turkey, and Iran, became a new reality. Using its ambitious "Belt and Road Initiative" (BRI), China is building economic relations with each of the aforementioned countries. It planned a \$40 billion investment in Pakistan. It has reached an agreement with Russia for a massive \$270 billion oil trade.

Beijing also agreed on a \$400 billion investment with Tehran over a period of 25-year. Various industries will receive this funding. Iran announced that it has partnered with Beijing for the strategist Chabahar port. It will integrate Iran with the BRI, which connects China and Europe via Turkey. In exchange, Iran would provide China with highly subsidized oil and gas. In 2020, Iran's ambassador to Pakistan, Syed Mohammad Ali Hosseini, also spoken of the golden ring ([Shukla, 2020](#))

If we look at the world map, the idea of the Golden Ring countries portrays one of the best potential, trading routes of the world, which forms an amazing ring on the world map, it can prove to be the "Economic Ring of the World" if it is implemented in its true spirit.



Source: (Raza & Khan, n.d.)

The purpose of this paper is to analyze the tourism potential among Golden Ring Economies using this route. The study has adopted a qualitative secondary approach. By elaborating tourism policies of these countries this paper made an attempt to highlight the need for a combined trade policy for the Golden Ring economies. The paper also threw light on the potential challenges and gave recommendations.

Golden Ring States and their Tourism Approach

China

In 2012, since the 18th National Congress of the Communist Party of China, the Chinese tourism industry has set foot into a brand-new period. As an all-inclusive industry, the tourism industry has evolved in accordance with the comprehensive layout of "five in one" and the growth requirements of the "four comprehensives" and surfaced as an integrated model of "tourism". At this phase of development, Chinese stakeholders have begun to shift their focus from quantity to quality in terms of their tourism industry. The state has a bend to reinforce effective reforms in the tourism sector, improve the quality of tourism expansion, and promote coordinated social and economic development.

Aspect of Tourism Policy

The "Outline for the Development of Tourism Quality (2013–2020)", propagated in 2012, was introduced with the aim to cultivate the tourism industry in line with the modern service industry. The concept of "all-for-one" was formally proposed in 2015 which changed the direction of development of the Chinese tourism industry, suggesting that the integration of tourism with other industries and their combined growth is incumbent in the present era. In 2017, the "Guidelines for the Creation of All-for-one Tourism Demonstration Zones" was issued which insisted that the tourism industry should be transformed from management and construction of mere scenic spots to integration of destination services. Later in February of the same year, "the National Tourism Development Planning Conference" reaffirmed that the nurture of all-for-one tourism is the prime strategy for achieving credible results during the "13th Five-Year Plan" period. In 2017, Prime Minister Li Keqiang officially mandated the inclusion of an all-for-one tourism policy in the "Government Work Report" of the State Council. He reiterated that the government is following an integration plan for the development of tourism and other industries. Later on, in 2018, the creation of the Ministry of Culture and Tourism not only reflected that the tourism industry has developed its roots in national culture, life, and economy but also pointed out the necessity and significance of the integrated growth of cultural and tourism industries.

The consolidation of cultural and tourism industries, however, is a multi-factorial phenomenon. For instance, the 2013 policy "National Tourism and Leisure Outline (2013–

2020)" advocated the "tourism" form that encouraged agriculture tourism, sports tourism, and other similar elements to become the part of tourism process. The "Thirteenth Five-Year Plan for National Tourism Informatization", published by the National Tourism Administration, unveiled the importance of applications of information technology in the growth of the tourism industry of China and stimulated the merger and mutual development of the Internet, artificial intelligence, big data, computer simulation and various other technological fields with tourism. In September 2019, the "Outline for Building a Powerful Transportation Country" was promulgated by the State Council which suggested intensifying the coherent development of tourism and transportation, and to ensure the quality transportation services, including expressway service areas and in transportation hubs, indicating the way to integrate transportation and tourism in coming years.

Industrial Change Factors

Tourism has emerged as one of the prime drivers of the economic growth of China since the 18th National Congress of the Communist Party of China. The tourism market has witnessed tremendous growth. In economic terms, the primary reasons are the rise in domestic demand and upward trends of consumption pattern, along with improvement in consumption structure and up-gradation of the technological field. With the rise in popularity of new tourist spots, tourists have not only registered their aspirations to visit more tourist destinations, but also putting forward a demand for better tourism services, like content richness, convenience, and innovation. With an aim to provide a better tourism experience, tourism organizers keep on introducing innovations: provision of comprehensive tourism services online by the tourism companies; health-preserving tourism; creation of convenient tour procedures; research-study tourism; building of smart attractions to improve tourism experience; launch of cultural tourism; and other industrial integration in order to enhance the attractiveness of tourism sites. Precisely, the demand for quality tourism by the tourists is addressed by utilizing the positive aspects of other industries by China's tourism industry. The tourism industry has left far behind the image of the industry that was only limited to the services of tourism-related industries like accommodation, catering, and transportation, but has evolved as a comprehensive industry merged with other leading industries. In this regard, the technology industry assists in the development of information and smart tourism whereas tertiary industries, including the leisure and culture industry, help in the diversification and customized transformation of tourism products.

Pillar of Economy

Given such integration of tourism with almost every other industry, it has been recognized as a "pillar industry" of China's economy. It is mainly because tourism not only generates enough revenues but also triggers the growth of the elements that are fused with tourism, for 10.94 trillion yuan, 2.61 trillion PPP US dollars, to her GDP, amounting to around 11.05% of total GDP of China⁷. It is worth noting that the contribution rate of developed states ranges between 5–9%⁸. Similarly, the tourism industry has also generated many jobs. In 2019, around 28.25 million and 51.62 million people were directly and indirectly employed by tourism, respectively⁹. Both direct and indirect jobs made up about 10.31% of the overall employment rate in the country.

Pakistan

Tourism as an industry rapidly mushroomed and became a key player in economic development across the globe. Pakistan's unparalleled cuisine, exceptional beauty, hospitality, and rich culture, make it suitable for tourism development. In recent years, the Pakistani government has recognized the significance of the tourism sector and has focused on its development. To boost tourism in Pakistan, the current "Pakistan Tehreek-e-Insaf" (PTI) government took various steps, notably, modified tourism policies, tourism portals,

development and maintenance of infrastructure, and smart telecommunication. Owing to these efforts, the International organizations ranked Pakistan as the top tourist destination in the world in 2020. ("An overview of National Tourism", 2021)

Manifesto of PTI Government

PTI claimed in its election manifesto that it will position and present Pakistan as "Asia's Best Kept Secret" in the world's tourism industry. The party promoted its agenda by emphasizing religious tourism, historic Sufi sites, and promised to establish twenty new tourist sites during its tenure. The government made tourism promotion one of its top priorities; recognizing that it has a significant role to play in job creation and would enable them to meet their commitment of generating 10 million jobs during their 5-year term while also generating much-needed revenue for the national budget. The administration promised to support private sector investments in eco-tourism, open government guest houses and other government offices to the public, modernize tourism infrastructure, promote job creation, and improve visa issuance facilities. In August 2019, PM Imran Khan delivered on his commitment and opened up all government guest homes for the public in order to generate revenue ("Government Tourism Policy", 2019).

All of the aforementioned measures indicate the government's commitment to revive the tourism industry in Pakistan, which in the 1970s was a popular tourist spot when the "hippie trail" led Western tourists through the Swat Valley and Kashmir's walnut and apricot farms on their route to India and Nepal. In 2018, the authorities, in collaboration with donor partners like the World Bank, operated systematically to develop a strategy for the tourism industry and launched some pilot projects. Later, in the Federal capital, a tourism summit was carried out, with speakers from around the world highlighting what Pakistan has to offer in the field of tourism; institutional barriers were removed to help international visitors; foreign tourists no longer need a "no-objection certificate" to enter numerous areas; the procedure for visa was simplified; and tourists from more than fifty countries were allowed to obtain a visa on arrival ("Government Tourism Policy", 2019). Additionally, owing to the manifesto of religious tourism, the Kartarpur Corridor was also inaugurated.

PTDC and tourism policy

The PTI government assigned the task to the "Pakistan Tourism Development Corporation" (PTDC) to maximize the tourism industry's capacity through various tactics. The PTDC developed a ten-year National Tourism Strategy (NTS) for the years 2020-2030 to pull the tourism sector out of its misery. NTS will emphasize on maximizing resource use in order to achieve long-term economic development. ("An overview of National Tourism", 2021)

The following are some of its key features (PTDC, n.d.)

1.Sustainable Economic Growth refers to the proper utilization of state-owned assets or services such as historic sites, governor houses, and guesthouses.

2.Creating employment opportunities and eradicating poverty.

3.Ensuring Tourists' Security and Safety

4. Healthcare Facilities

5.Hygienic Environment and Food

6.Good Telecommunication Services

7. Renovation of the Transportation system and roads.

8. Value Shopping

The PTDC plan laid great emphasis on including initiatives like media and marketing campaigns in the tourism plan. For this purpose, various social media platforms (Instagram, Snapchat, YouTube, etc.), travel websites, bloggers, and influencers will be resorted to bringing a true side and positive image of Pakistan in front of the world. Moreover, as per the plan, an exclusive e-portal will be launched. This will aid in providing an access to tourism sites in Pakistan to tourists all across the globe (PTDC, n.d.). The NTS is in the last phase of completion, and the PTDC plans to announce the program soon. This road map would undoubtedly aid the tourism sector in realizing its true potential and establishing Pakistan as the major tourist attraction in the world ("An overview of National Tourism", 2021)

Tourism and Economic Development

Tourism is the fastest-growing economic industry, with decades of sustained expansion and diversity. It is still a labor-intensive industry with prospects for increased employment all across the globe. In 1972, attempts were initially made to develop the tourism industry in Pakistan by establishing a separate ministry. Four years later in 1976, a new department was created. Pakistan was attempting to establish the concept of ecotourism since 1999. In regards to this, the World Wide Fund for Pakistan made a number of efforts in the country's northern regions (Israr, et al., 2009). There have been many highs and lows in Pakistan's history, and unfortunately, the country has been unable to turn tourism into a viable enterprise (Figure. 1).

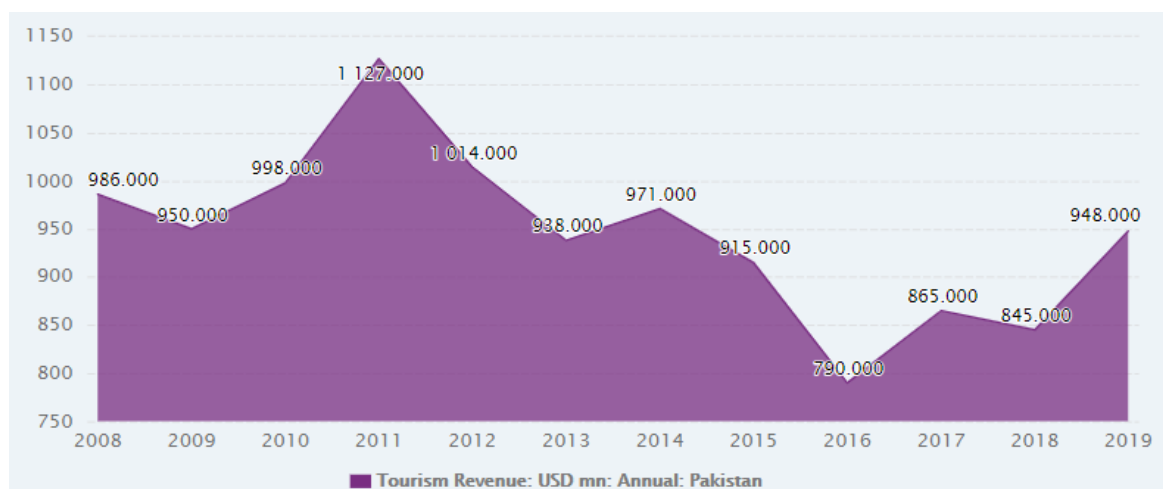


Figure: Pakistan's Tourism Revenue from 1995 to 2019; Source: Census and Economic Information Center (CEIC), 2021

Following a spillover from the war on terrorism, Pakistan properly resumed domestic tourism in 2009. Then in 2010 the transport infrastructure and roads were damaged by the flood, and tourism declined once more. The tourism department reframed visitor activities once again in 2011 (Lala, Farukh, & MOHAMMAD, 2020).

As per a report issued by the World Travel and Tourism Council (WTTC) in 2019, the travel and tourism industry generated Rs2,452.0 billion (\$20 billion) to Pakistan's GDP in 2018, accounting for 7.1 percent of the entire economy. According to the WTTC report, 3.85 million employment opportunities were created in 2018, accounting for 6.3 percent of overall employment. This economic share reflects activity in tourist-dependent industries such as restaurants, travel agencies, hotels, airline companies, and other transport and

leisure areas ("Government Tourism Policy", 2019). According to estimates, Pakistan spent more than Rs90 billion on parks, motorways, restaurants, and archaeological sites between 2012 and 2019, and was looking forward to a stronger summer season in 2020, but COVID-19 emerged on the global horizon, halting all economic operations, including tourism. From 1994 to 2019, tourism generated 5.7 to 7.1 percent of Pakistan's gross domestic product (GDP). The loss is worth \$20.18 billion in US dollars (Lala, Farukh, & MOHAMMAD, 2020).

Russia

Owing to the fact that Russia has a rapidly growing market and is the world's largest country, encompassing two continents, it is considered a potential market for the tourism and travel sector. Unlike Brazil, Greece, South Africa, Israel, Russia does not have a specific tourism ministry. Thus, the issue of tourism could not be resolved in Russia for a long period after the dissolution of the USSR, as it was linked to sports management (Goskomspport of the Russian Federation) and then to culture (Ministry of Culture of the Russian Federation). Finally, the Federal Agency for Tourism was affiliated to the Russian Federation's Ministry of Economic Development in 2018, recognizing tourism as a component of the economy rather than strictly a cultural domain (Sheresheva, 2020).

Tourism policy and the Action Plan

The Ministry of Economic Development and the Federal Agency for Tourism in Russia are primarily responsible for the development of domestic and international tourism. Their goal is to achieve this through fostering the development and commercialization of high-quality tourist products which are viable in local as well as international markets. Furthermore, the Ministry and Federal Agency strive to increase tourism's social role by expanding the provision of tourism and recreation facilities for Russian Federation residents. Both authorities consider the socio-cultural and environmental implications of tourism development, along with the need to assure tourist safety (OECD, 2021).

The following were Russia's tourism goals and priorities, as stated in the Tourism Development Strategy and Action Plan for the period up to 2020: (OECD, 2021).

- Further, develop tourist and support infrastructure,
- Creating a competitive tourist product,
- Develop sustainable demand and increase the availability of tourist products,
- Plan the development of tourist areas,
- Stimulate demand for tourist products,
- Provide associated infrastructure and transport,
- Develop new digital solutions,
- Facilitate visa regimes,
- Ensure greater tourism security.
- Improve education and training development,
- Promote and raise the visibility of the tourist product,
- Overcome existing hurdles and improve investment attractiveness,

Travel convenience, development of industry and products, advertising and branding, skills and human resource development, and investments in infrastructure projects were among the strategies included in the Action Plan. By the end of 2019, a new Tourism Development Strategy for the period 2035 was expected to be implemented (OECD, 2021).

The key features of the new Tourism Development Strategy based on the previous Action Plan further include components like: (OECD, 2021).

- creating a marketable tourist product for the Russian Federation,
- stimulating demand and increasing availability of the Russian tourist product in local and international markets,
- improving the regulatory structure, and factoring tourism industry development trends, and,
- improving the Russian Federation's tourism management system, such as the procedure for gathering, processing, and evaluating factual information on tourism development.

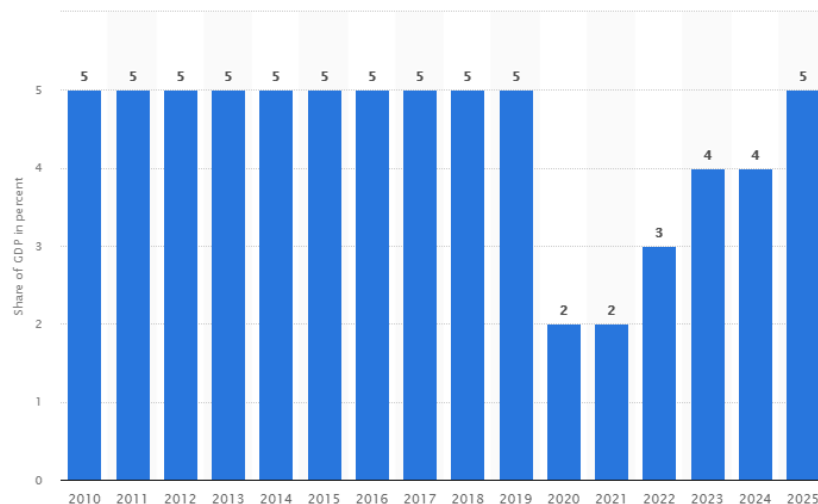
At this point, Russia was planning to raise the social significance of tourism by boosting its role in education, maintaining intercultural communication, international and interregional connections and communication in the tourism development; and developing tourism products that take into consideration the cultural, natural, and ethnic diversity of Russia (OECD, 2021).

And then COVID-19 hit the globe. The tourism sector now appears to be a time-compressed model of the modern economy: the pandemic that hit all domains of economic growth crashed the tourism industry instantly, in February 2020, of course, if the tourism sector is viewed as the activities of a vast range of actors reflecting a framework of inter-linked industries (Paget et al. 2010). Tour operators and travel agencies, hotels, sanatoriums, holiday homes and boarding houses, guides, companies providing services for health, recreation and entertainment, booking systems, all types of tourist transportation, catering and souvenir producers – all participants in well-established, often cross-border value chains have found themselves in a dramatic situation of an aggregate supply shock resulting from contagion containment measures with restrained demand and mobility (Bénassy-Quéré et al. 2020).

Tourism and economy

Tourism added a share of RUB 3.2 trillion to the economic growth in 2017, accounting for 3.8 percent of Russian GVA, 21.4 percent high as compared to 2016. In 2017, Russia's tourist industry hired 540500 employees. International tourist visits totaled 24.6 million in 2018, an increase of 0.7 percent over 2017. Ukraine (with a 33.4 percent market share), Kazakhstan (14.3 percent), and China were the key sourcing markets (6.9 percent). According to lodging statistics, 11.5 million overnight tourists from global markets were logged in 2018, a 43 percent raise as compared to 2017. In 2018, 62.2 million domestic arrivals were registered, a rise of 16.2 percent from 2017. Sports (especially skiing), business, academics, medical, excursions, hunting, fishing, events, and cuisine were among the most famous forms of international and local tourism. In addition to traditional tourism, new types, such as more innovative, personalized, and experience-based offerings, started to grow in Russia (OECD, 2021).

But just like the rest of the world, tourism drastically declined in Russia after the pandemic. In 2020, due to the COVID-19 epidemic, Russia closed its borders to many countries, resulting in only 6.4 million international tourists. Russia's travel and tourist revenue is expected to reach \$6.79 billion in 2020, placing it fourth among the BRIC countries. Russia gained popularity among international travelers after hosting the 2014 Winter Olympic Games in Sochi and the 2018 FIFA World Cup. As a result, before the pandemic, travel and tourism accounted for approximately 5% of GDP. It was predicted to be 2.37 percent in 2020 (Statista, 2021).



Source: (Statista, 2021).

This graph depicts the expected tourism sector GDP share in Russia through 2025. By 2025, it is expected to rise to 5%. COVID-19's projected impact has been factored into the projection (Statista, 2021).

Turkey

Despite having a separate ministry for Tourism development, in August 2019, Turkey established "the Turkey Tourism, Promotion, and Development Agency" to enhance the capacity of its tourism industry. The agency is comprised of members from public and private organizations that together constitute an executive board. The state promises to develop a sustainable, inclusive, and competitive tourism industry and hence outlines its tourism policy accordingly. The current policy aims to diversify from the mass tourism "sun and sea" product through the development of a high-quality tourism niche. Further, the government remains committed to extending the tourism season, disseminating tourism benefits regionally, and ensuring accessibility of tourism services to all tourists.

Policy Defining Elements

In the 9th development plan, Turkey set the goal of development of a master plan for the tourism industry, hence, in accordance with the goal, "Turkey's Tourism Strategy 2023" plan and "Action Plan 2013" were drafted in 2007 to serve as guiding torch for the sector. The plans developed the short, medium, and long-term strategies while considering major impediments, definitions, and solutions of the problems and determined the roles of the concerned institutions. The plan embraces a viable tourism development approach that intends to raise the employment rate through the tourism industry and diminish the development inequalities among regional states. Tourism is characterized as Turkey's pioneer development sector; hence with this outlook, one of the 2023 targets is to get recognized as one of the top five world's destinations, both in terms of tourism income and

the number of visiting tourists, along with becoming a brand destination. The vision of Turkey's Tourism Strategy Plan 2023 is stated as, "Leading industry in employment increase and regional development within sustainable tourism approach, and becoming an international brand and in top five destinations in terms of a number of tourists and tourism incomes in the international market until 2023." (Tourism, 2007). The vision is supplemented with strategies to achieve the goal. These strategies are classified as following: planning, organization, investments, research and development, marketing and promoting, branding, infrastructure and transportation, domestic tourism, education, diversity in tourism experiences, service quality, up-gradation of current tourism locations, domestic tourism, tourism cities, and development corridors and regions, and eco-tourism regions. The last section of the plan focuses on the execution of tourism strategy and issues decisions on institutional governance, structuring, action planning, surveillance, and assessment (AYGÜN & BAYCAN, 2020).

Currently, two principal documents relating national stance on tourism are the "Five-Year National Development Plans" and the three-year medium-term programs called "New Economy Program". The 11th development plan defines tourism as a prime sector to be motivated and the plan is recognized as a roadmap to strengthen the long-term economic position of turkey. According to New Economy Program (2019-21), Turkey has embarked on drafting a "Tourism Master Plan" to implement the prioritized policies. The Ministry of Culture and Tourism, responsible for the monitoring tourism domain in the above-discussed documents, has also drafted a "Strategic Plan to 2023", which covers sectoral plans and activities of four years up to 2023 (OECD, 2020). Besides, annual programs are published to highlight the short-term policies along with the issuance of the respective roadmaps with the coordination of the Strategy Budget Office of Turkey's President.

Shortly, all the efforts are meant to introduce innovation and diversification of the tourism activities, in alliance with challenging consumer trends, modern technology, an extension of the tourism season, betterment of service quality, and captivating the high-class visitors to maximize the tourism share in annual national income.

Tourism as a GDP Generator

Tourism is one of the fastest-growing and dynamic sectors of the economic sectors of Turkey. In 2018, the industry directly employed 2.2 million people, accounting for 7.7% of overall employment. Whereas, the total tourism income constituted 3.8% of GDP. Similarly, in the same year, travel exports represented 51.9% of overall service exports. The industry has generated TRY 142.4 billion by attracting around 45.8 million tourists in 2018, demonstrating a rise of 12% compared with the revenues of the previous year. Apart from International tourism, domestic tourism is also on the rise in Turkey. According to statistics, 126.4 million domestic trips were recorded in 2018, 4.6% high as compared to the data of 2017. Thus, through domestic and international trips and job creations tourism industry is contributing to the economic sustainability of Turkey (OECD, 2020).

Iran

Iran is among one of the oldest civilizations in the world. Although it occupies a unique position on the world tourism map yet there are many obstacles in the way of tourism development similar to other developing states. Out of numerous hurdles and challenges for the development of tourism most effective is the political economy of the country. However, despite all these challenges Iran has given 20 year perspective for tourism, according to this plan, Iran's share of the global tourism must increase from 0.09 percent in 2004 to 1.5 percent in 2025 (about 20 million tourists) (Heidari chianeh, Rezatab, Soltani, & Motamedimehr, 2013).

Policy Character

For the growth and better future of the country's tourism industry, Iran has actively formulated policies in the arena of foreign relations and nuclear technology. As mentioned before it has also given tourism plan and the few most significant programs for tourism development include these: Modification of the present laws and regulations, provision of grants of \$ 25 billion for about 1300 programs, availability of electronic visas, extending the time period of airport visa from 15 to 30 days, training 16000 people working in the tourism industry as a part of human resource development, development of international facilities and hotels and creation of residential centers, creating tourism information service in 11 high potential states, developing domestic tourism, increasing the religious tourism, developing the transportation services (marine, land, rail, and air) and assisting private entities who carry out tourism-related activities across the world (Raad, 2019).

According to ISNA, the plan pays special attention to the important factors of the tourism industry like management, infrastructure, business environment, marketing, human resource, culture, and matters regarding foreign citizens. The report further mentioned reforms that are part of the strategic plan including the creation of a solid base for the development of national tourism development plan, defining major policies in the arena of tourism, implementation of goals in the most effective and dynamic way possible, creating competitive environment and empowerment of natural, cultural and domestic tourism. Moreover, Iran has also increased its budgetary share for the tourism industry. The budget for the year 2020 had 13 trillion rials for the Ministry of Cultural Heritage, Tourism and Handicrafts, an 11.8 % increase from the previous budget ("Iran prepares a strategic plan for tourism development," 2020).

The recent spread of novel corona virus had a devastating impact on the economy and travel and tourism industry worldwide. Over the past few months airlines' passenger traffic and hotel, booking rate has drastically plunged compared to the same period pre covid. However, it is expected that after the containment of corona virus Iran will experience a tourism boom and it is believed that the impact of the virus on the tourism industry of Iran, the country ranked third-fastest evolving tourism destination in 2019, will be short-lived and temporary. It is also predicted that tourist places like museums, bridges, bazaars, mosques, madrassas, churches, bathhouses, mausoleums, mansions and towers will earn huge revenue for the country. It is also worth noting that 24 of these tourist spots are mentioned in the UNESCO World Heritage List.

Prospects for Economic Development

According to the 2025 Tourism Vision Plan, it is aimed the number of tourists should increase from 4.8 million in 2014 to 20 million in 2025. The data of the Iranian year starting from March 2019 shows the arrival of 8 million tourists in the country during the first ten months. So it can be expected that the future of the tourism industry of Iran is broad. By 2025 it will be among the important tourist destination in the world. Under the vision of 2025, not only 25 million tourists but 4 million direct and indirect jobs and \$ 36 billion tourist receipts are also targeted. This is the reason why Iran is being transformed into a sustainable and competitive destination by the Regional Strategic Program for revitalizing the country's economy by 2025 (Habibi, Rahmati, & Karimi, 2018).

Since tourism impacts banking & finance, cultural and entertainment, promotion and publicity services, food & beverage, hotels and lodging, and transportation so the contribution of tourism in job creation is slightly more. This sector has increased the physical capital investment of the country (hotels, rails, airports, etc) and also brought foreign revenue for the country. However, there is still a long way to go and Iran needs to overcome its infrastructure inadequacies and environmental-based tourist limitation for overcoming the negative effects of tourism.

Current Challenges

Despite being rich in natural resources and recent pro-active tourism policies, the Golden ring States also face a number of challenges in the way of formulating a coordinated, and rational policy. Here we have pointed out some of the major challenges:

International Sanction on Iran

Nuclear sanctions on Iran have caused severe implications on international tourism in Iran. Morakabati (2011) argued that Iran's nuclear program and the associated sanctions have acted as a deterrent to international tourists as the sanctions have significantly dropped requests for their visas. (Morakabati, 2011). Morakabati's idea is confirmed by Baum and O'Gorman (2010) who observed that uncertain nuclear arms have decreased the attractiveness of Iran as a destination and has negatively affected tourism (Baum & O'Gorman, 2010). In fact, political problems and sanctions are some of the major reasons that Iran has never been able to attract enough tourists (Farahani & Shabani, 2014). Hassan Rohani, the former president of Iran, stated that following the sanctions the number of tourists in Iran dropped as the sanctions created problems of using International Monetary Credit Cards and ATM cards for international tourists in Iran (Nome, 2013). Given these conditions, it will be difficult to implement any coordinated policy in Iran which could eventually affect the desired results.

Security Implications

Afghanistan is considered the hub of terrorism activities which have given birth to security challenges in the entire region. Among the repercussions of terrorist activities, curb tourist inflow in the region is widely recognized. Richter (1980) argues that terrorists majorly attack international tourists considering them "ambassadors" of "hostile government" (L. Richter, 1980). In this regard, tourists are perceived as a political tool for the accomplishment of strategic objectives. Additionally, by attacking the tourism industry, terrorists not only mutilate a successful economic sector but also receive high mass media coverage (Richter & Waugh Jr, 1986). Moreover, Pakistan has remained a party to its war against terrorism; thus it has been facing serious consequences. According to a study, which analyzed the data from 1980-2010, terrorism has negatively affected Pakistan's tourism industry both in the short and long run and anticipated similar effects if security conditions continue (Raza & Jawaid, 2013). Similarly, Drakos and Kutan (2003) analyzed the data of a decade (1991-2000) of Turkey, Israel, and Greece and found that terrorism incurred negative impact on their tourism, with the loss of around 5%, 1%, and 9% for Turkey, Israel, and Greece, respectively (Drakos & Kutan, 2003). Thus, in such a situation security challenges can pose a serious risk to the success of any regional tourism policy.

Political Instability

It's a fact that tourism and politics are not related to each other through political parties or elections (Hall, 1996) neither does politics extend any direct impact tourism policy, although it acts as an element of the politics of tourism (L. K. Richter, 1989). Literature has been found to be scarce on the relationship between tourism and political instability. However, Matthew and Richter (1991, p133) stressed the need to consider the importance of political science in the tourism sector (Poirier, 2000). The authors stated that "a tremendous need to integrate the politics of tourism and social science techniques with the skills and other training required by practitioners of tourism." (Matthews and Richter 1991, p133). This justifies the evidence of down growth in tourism trends in Asia and the Pacific following the incidences of political violence. Currently, China is not only involved in a trade war with the US but also facing internal conflicts with Hong Kong. Similarly, Pakistan and Iran are not only sharing hostile neighborhoods but also witnessing national political

issues. If such an unstable political situation continues, the tourism industry can't prosper well within the regional axis.

Technological Backwardness

As above explained, the digital transformation of the tourism sector is a compulsion for the success of the industry, but the high reliance of most of the members of the axis on technological innovation of the developed lands limits the effective policy implementation. Moreover, the low literacy rate and lack of technically skilled workers in Iran and Pakistan will negatively impact any coordinated action.

Conclusion

Tourism is one of the fastest-growing industries, as well as a major economic driver in both developing and developed countries. It is the leading contributor in generating employment opportunities, as well as a significant wealth creator and contributor to the dynamic economy. Underdeveloped economies could readily be developed through the tourism industry. To make sense of the expanding relationship between tourism and development, the political economy of tourism must move beyond the analytically restricted and theoretically limited debates about tourism's positive impact on development. This is the only way to make a substantial and long-term impact on our understanding of the complex underlying factors that shape tourism's industrial organization and its implications for societies. Undoubtedly, an effective tourism policy can shape the global economic conditions but it is also crucial to undertake the environmental and social aspects of tourism while designing the policies. Moreover, successful collaboration among the Golden ring countries and implementation of a well-structured policy can be a game-changer for the region. All the member countries should efficiently work to achieve this goal and re-shape their existing policy frameworks in order to reach a sound policy that will equally benefit all the stakeholders. The tourism sector should explore and adopt the entire spectrum of digital innovation. Only then it will be able to overcome the current issues and constraints. Moreover, the successful implementation of an eco-friendly policy will help attain the goal of a carbon-neutral environment. In conclusion, although tourism development is not a magic wand that will bring instant changes and close the economic gap between developed and developing worlds, it has the capacity to bring lasting change in the global economic scenario if implemented properly.

Recommendations

- The bidirectional causal link between economic activity and tourism development provides decision-makers with compelling evidence that this connection can boost economic growth; as a result, it is recommended that a healthy business culture should be created to attract investments through tourism. Yet, in order for these capital investments to be long-lasting, a well-structured ecological policy should be implemented.
- The unidirectional causal relationship between energy and tourism development presents planners with guidance, indicating that as tourism grows, so does the demand for energy generation. Thus, to ensure that the benefits of tourism are long-lasting, authorities should concentrate on renewable energy generation; additionally, the states should motivate businesses to adopt clean energy to counter environmental effects. This implies that tourism can help reduce emissions of greenhouse gases (GHG) and contribute to Sustainable Developmental Goal 7 by encouraging investments in sustainable energy initiatives.
- To overcome the obstacles created by instability in the region, it is crucial for "Golden Ring Countries" to help each other in eradicating extremism from the region. The

policymakers in all the countries should focus on the status of law and order and quality education. Terrorist acts undermine not only the tourism industry, but also suppress the soft picture of a nation, and education and law and order can act as an effective way to restore it. Moreover, the government should ensure that they will provide complete protection and security to the tourists. Here, another key aspect is that in the middle of this ring is Afghanistan (which shares the longest border with Pakistan i.e. 2,430 km), and appears like a gem that will increase the worth of this ring in near future (Raza & Khan, n.d.). So efforts should be made to include Afghanistan in the ring by eradicating terrorism from its soil and resolving its issues with the member states.

- As mentioned above, the lack of skilled labor force and technological innovation in Iran and Pakistan can limit the digital transformation of tourism, various training programs, and campaigns should be introduced in these countries. The developed economies in the ring can aid the developing countries in achieving digital transformation and advancement which in the long-term will benefit all five countries.
- It is important to establish a synergy between tourism and landscapes. Tourism locations across the globe are undergoing social and environmental shifts which are expected to intensify in the coming decades. Tourism has a lot of potentials to help regions become more resilient and cope with these transformations (Davidson, 2010). Since appealing landscapes and high biodiversity is essential to the success of every tourism spot, tourism managers should work to maintain landscapes in order to keep tourists visiting. It is claimed that the foundation for creating regional resilience is a cooperation between tourism growth and environmental conservation. The purpose of synergies is to achieve win-win scenarios by balancing the twin goals of environmental protection and economic growth. Focusing on synergies can aid to avoid an over-emphasis on either of the two aforementioned concerns. When the environment and tourism are in equilibrium, a region's social-ecological resilience is strengthened. The synergy between the two is helpful for making regions more adaptable. Thus, it is recommended that decision-makers should try to identify a region's historical institutional context; seek to understand an advanced policy centered on synergetic interactions; acquire an insight of all stakeholders, involve all stakeholders in decision making; create a shared narrative; co-create a definite plan for the future; while allowing flexibility in local implementation, and should not hesitate from experimenting.
- The focus of SDG 2 is on agriculture's backward integration by building ties between restaurants, hotels, and local farmers to improve tourists' food-related experiences and produce additional money for residents. As a result, it is suggested that local peasants should be trained to produce top-quality natural foods, and that appropriate market access and connections between the business sector and communities be built by interventions. Agriculture growth not only supports tourism but also contributes to the preservation of the environment.
- It is crucial to recognize a region's historical institutional background. Understanding the local context in which policymakers and managers function is critical. Reflecting back on how policy and social discourse have evolved might help policymakers recognize the challenges and possibilities to develop good future policies. This can aid policymakers in identifying path-dependencies that may stifle other policy options. Content analysis is a user-friendly technique for methodically analyzing the way the institutional context has changed through time (Heslinga, Groote, & Vanclay, 2018).

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