

Tourism Competitiveness in Central Asian Turkish Republics: An Assessment in Terms of Entrepreneurship¹

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Abstract

The economic impact of tourism is increasing steadily at local, national, and global levels. People are traveling and spending money to learn foreign cultures and see new places. In this respect, tourism sector appears to be an important opportunity for entrepreneurship. With their natural beauty, history and cultural diversity, Central Asian Turkish Republics have potential to get considerable share of the world tourism market. However, despite significant advantages in terms of tourism potential, it has not yet reached the desired level. In this context, by evaluating the competitive indices of the mentioned countries must be determined weaknesses and necessary measures should be taken. The purpose of this study is to evaluate by comparing tourism competitiveness indices of the Central Asian Turkish Republics and develop recommendations for the improvement of competitiveness. To achieve this goal, the reports published by the World Economic Forum and other international institutions will be used. Results of the study are intended to provide important information for institutions and organizations regulating market in those countries.

Keywords: Tourism, Central Asian Turkish Republics, entrepreneurship, tourism competitive index

1.0 Introduction

After the disintegration of the USSR since the Central Asian Turkish Republics gained independence have faced with serious difficulties in the economic sphere. During transition period containing difficulties experienced in manufacturing sector, thus, the tourism sector made an important contributions in improving the economic status by providing foreign outgoings. The importance of the tourism industry into economy has been proven by many researches (Çımat & Bahar, 2003; Özdil & Yılmaz, 2008, Alıqah & Al-Rfou, 2010). The countries with tourism potential shows an intensive effort to get gainings from the world tourism. According to the data of the World Tourism Organization the gainings of the world tourism by 2010 reached 919 billion dollars, it is estimated that this figure is up over 1 trillion by 2012 (www.worldtourismdirectory.com/, 20.03.2012). The fast growing sector influenced the countries efforts to increase gainings that engendered tourism competitiveness, that gave way to new researches on the field (Bahar & Kozak, 2005:139).

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The World Economic Forum taking into consideration the potential benefits of Travel & Tourism Industry and in order to be up with the countries competitiveness and difficulties facing in this sector since 2007 issues annual Travel and Tourism Competitiveness Report. Since 2011 the report is being issued in 139 countries. The Report among Central Asian Turkish Republics covers Kyrgyzstan, Kazakhstan, Azerbaijan Republics.

However the mentioned report doesn't cover data about Uzbekistan & Turkmenistan. In order to determine the countries tourism competitiveness The Travel and Tourism Competitiveness Index shows the evaluation results of 14 criteria under 3 main headings (<http://www.weforum.org/>, 20.03.2012). Besides scientific studies are being made in many countries (Bahar ve Kozak, 2005, Wilde & Cox, 2008, Kayar ve Kozak, 2008, Hassan, 2011). The Power of Competitiveness in tourism is defined as the destination of maximum extent that will satisfy the customer, which provides the tourism product and can serve with good quality different from other destinations (Bahar 2005). In order to achieve it an important role plays countries Tourism Regulation, incentives offered to investors, natural and cultural treasures.

The Central Asian Turkish Republics with its natural beauties, history and cultural richness could become an important center of attraction in World Tourism Market. Accordingly at the mentioned area the revitalization of new investments as a tourism destination which depends on improvement of power of competitiveness. Generally in Central Asian Turkish Republics it can be mentioned that the service sector shows its grows in line with global developments, the countries's GDP rate of tourism is having increased each year. Excluding Azerbaijan and Turkmenistan the service sector is increasing every day (<http://databank.worldbank.org>, 20.03.2012). The countries like Kyrgyzstan, Uzbekistan, Kazakhstan's tourism sector is one of the priority sectors in the economy.

Within the 20 years of underdevelopment of Central Asian Turkish Republics it is important the development of Tourism sphere of mentioned countries which needs evaluation its role in it.

In this context it is inevitable for the mentioned countries production and marketing of tourism products, analyzing the areas the power of competitiveness and in order to reach a desired level it is important activities to be done. According to this, Kyrgyzstan, Kazakhstan and Azerbaijan countries has been analyzed according to each criteria of comparative indices of tourism competitiveness. However, for entrepreneurs it has been evaluated and given recommendation according to environment of opportunity areas in mentioned countries.

The Tourism Competitiveness Index is an important indicator for the Entrepreneurs wishing investments in the field of tourism. The factors determining the attractiveness of the country in terms of investment are; that country's market potential, its natural resources, political stability, tax regulations, intellectual property rights to the consumption patterns of whole social, economic, related to social and cultural fields that contains many elements (Okur, Çetinkaya, 2008:266). In terms of these factors the determinations of concerned countries position, Entrepreneurs-Investors and regulating the sector from government agencies provide an important information.

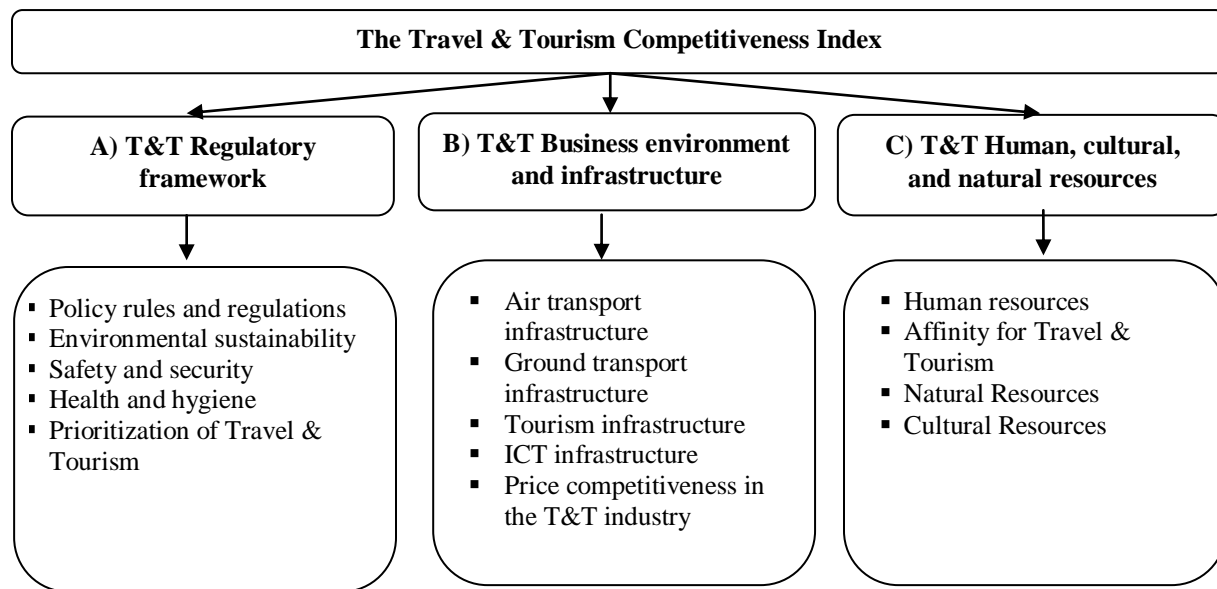
2.0 Travel and Tourism Competitiveness Index

It is being published some different Evaluation Indices of Countries, Areas and Sectors by National and International Institutions. *The Economic Free Indices* is published by Heritage Foundation and Wall Street Journal (<http://www.heritage.org/index/default>, 20.03.2012), *The World Business Report* is published by *Doing Business Report* (<http://www.doingbusiness.org/>, 20.03.2012), *Global Competitiveness Index* published by World Economic Forum (<http://www.weforum.org/>, 20.03.2012) can be showed as an example.

In order to clarify the Competitiveness power and difficulties faced in tourism sphere by countries of World Economic Forum, since 2007 The Travel and Tourism Competitiveness Report is published annually. In order to determine Tourism Competitiveness in the countries under 3 main headings 14 criteria's the results of Evaluation is determined by Travel and Tourism Competitiveness Index. The main purpose of this report is as it states to measure the countries Travel and Tourism sectors Competitiveness power through a comprehensive tool.

The Index taken from public available sources such as IATA (International Air Transport Association), ICAO (International Civil Aviation Organization) UNWTO (United Nations World Tourism Organization), WTTC (World Travel and Tourism Council)) and UNESCO (United Nations Educational, Scientific and Cultural Organization) received by datas of Global Competiveness Report made by Business Leader 'Executive Opinion Survey using data obtained from the data is published annually by World Ekonomik Forum. The Indices determined and the update details from World Ekonomik Forum (WEF) is given below (<http://www.weforum.org/>, 20.03.2012):

Table 1: The Travel and Tourism Competitiveness Index



Source: www.weforum.org, 20.03.2012

The factors which made pover of competitiveness in tourism sphere therewithal the entrepreneurs looking for investment and evaluate factors. From the view of the enterpreneur to invest the tourism sphere is important the Countries Regulations, Business Environment and Infrastructure Resources, Country’s or Area’s social background, Cultural and Natural Resources is used as an important input. Hence, this index can provide important clues for entrepreneurs, but it may not give enough information. Because this index is used during analysis of the regions and includes such elements as: learning, social capital, mutual relations. It is an important indicator of Entrepreneurship but itself is not enough.

3. Position of Tourism and Travel Competitiveness Index of Central Asian Turkish Republics

Since 2011 among the basis of 139 countries the Central Asian Countries as Kyrgyzstan, Kazakhstan, and Azerbaijan’s position is given on the plans below. It covers the factors of general index of Environment Regulations, Business Environment and Infrastructure, Human, Cultural and Natural Resources.

Table 2: The Travel and Tourism Competitiveness Index (2007 – 2011 Order)

Country/ Economy	2007/124		2008/130		2009/133		2011/139	
	Overall Index	Score	Overall Index	Score	Overall Index	Score	Overall Index	Score
Switzerland	1	5.66	1	5.63	1	5.68	1	5.68
Kyrgyzstan	102	3.54	113	3.30	106	3.45	107	3.45
Kazakhstan	82	3.81	91	3.61	92	3.65	93	3.70
Azerbaijan	75	3.92	79	3.72	76	3.84	83	3.85

Source: Compiled from the World Economic Forum's Travel and Tourism Index Report. www.weforum.org, 20.03.2012

According to the Report of Travel and Tourism Competitiveness Index in 2007 among 124 countries in general order is on 102 th pl., Kazakhstan is on 82th, Azerbaijan is on 75 th pl. The same indicators shows in 2009, Kyrgyzstan decreased 4 points on 106 th pl., Kazakhstan decreased 10 points on 92 th pl., Azerbaijan decreased 1 point on 76 th pl. In 2011 the position of Kyrgyzstan and Kazakhstan isn't changed, as for Azerbaijan decreased by 7 points on 83th pl..

According to this general order it is clear the mentioned countries in terms of tourism competitiveness are on last order. To provide the desired benefit in tourism sphere needs a serious investment and to establish all necessary regulatory works.

Table 3: Travel and Tourism Environment (Regulatory framework)

Country/ Economy	2007		2008		2009		2011	
	Ranking	Score	Ranking	Score	Ranking	Score	Ranking	Score
Kyrgyzstan	111	3.41	90	4.07	76	4.39	95	4.21
Kazakhstan	81	3.97	61	4.50	60	4.69	65	4.59
Azerbaijan	77	4.01	62	4.49	47	4.95	59	4.72

Source: Compiled from the World Economic Forum's Travel and Tourism Index Report. www.weforum.org, 20.03.2012

According Tourism regulation the general position of investigated countries is not enough satisfactory. (Table 3). However compared to 2007 some improvement can be mentioned. Since 2007 Kyrgyzstan with 3, 41 points is on 111th pl., in 2011 with 4,39 points on 95 th pl., Kazakhstan in 2007 is on 81th pl. in 2011 on 65 th pl. Azerbaijan in 2007 on 77 th pl. in 2011 on 59 th pl. So, it can be seen the mentioned countries have initiated some works in the sphere, yet is not adequate. The legal system in these countries has not been fully established, the transition period continues. The second and important base of Travel and Tourism Competitiveness Index makes Business Environment and Infrastructure. Kyrgyzstan takes (132 th. place) on Business Environment. Kazakhstan takes (88th. place). And Azerbaijan's (87 th. place) positions are not very good.

Table 4: Business Environment and Infrastructure

Country/ Economy	2007		2008		2009		2011	
	Ranking	Score	Ranking	Score	Ranking	Score	Ranking	Score
Kyrgyzstan	104	2.69	128	2.37	124	2.49	132	2.59
Kazakhstan	81	3.03	96	2.94	96	2.93	88	3.32
Azerbaijan	70	3.29	79	3.24	84	3.19	87	3.33

Source: Compiled from the World Economic Forum's Travel and Tourism Index Report. www.weforum.org, 20.03.2012

The third and the last base of Travel & Tourism Competitiveness Index makes human, cultural and natural resources. According to the ranking criteria of Kyrgyzstan, Kazakhstan and Azerbaijan having the close points is on the 100th pl.

Table 5: Human, Cultural and Natural Resources

Country/ Economy	2007		2008		2009		2011	
	Ranking	Score	Ranking	Score	Ranking	Score	Ranking	Score
Kyrgyzstan	84	4.52	102	3.47	105	3.48	100	3.54
Kazakhstan	90	4.44	112	3.39	121	3.32	123	3.19
Azerbaijan	88	4.45	105	3.44	111	3.40	105	3.49

Source: Compiled from the World Economic Forum's Travel and Tourism Index Report. www.weforum.org, 20.03.2012

In 2007 Kyrgyzstan is on 84th pl., in 2011 on 100 th pl. In 2007 Kazakhstan is on 90th pl., in 2011 on 123 th pl. Looking at Azerbaijan according to the criteria, it can be seen as follows: in 2007 on 88 th pl in 2011 105 th pl.

The General overall of Travel and Tourism Competitive Index has been investigated on three main bases. Taking a general view over investigated countries (Kyrgyzstan, Kazakhstan and Azerbaijan) due to Travel and Tourism can be seen weak in terms of Competitiveness.

3.1 Kyrgyzstan's Position

The Travel and Tourism Competitiveness Index and indicators relating sub-components of Kyrgyz Republic during the years from 2007 to 2011 is given on Table 6.

Table 6: Travel and Tourism Competitiveness Index over Kyrgyzstan

Main criteria	Country Ranking			Sub-criteria	Country Ranking		
	2007	2011	Difference		2007	2011	Difference
T&T Regulatory framework	111	95	16	Policy rules and regulations	120	96	24
				Environmental sustainability	106	100	6
				Safety and security	115	120	-5
				Health and hygiene	74	51	23
				Prioritization of Travel & Tourism	89	118	-29
T&T Business environment and infrastructure	104	132	-28	Air transport infrastructure	107	132	-25
				Ground transport infrastructure	104	129	-25
				Tourism infrastructure	95	135	-40
				ICT infrastructure	99	91	8
				Price competitiveness in the T&T industry	40	64	-24
T&T Human, cultural, and natural resources	84	100	-16	Human resources	71	101	-30
				Affinity for Travel & Tourism	72	16	56
				Natural Resources	102	97	5
				Cultural Resources	125	103	22

Source: Compiled from the World Economic Forum's Travel and Tourism Index Report. www.weforum.org, 20.03.2012

If we take a general view for a Travel and Tourism Competitiveness capacity of Kyrgyzstan, compared to 2007 we can see the improvement in the criteria of regulatory frame. In the year 2007 Kyrgyzstan is on 111th pl., in 2011 has taken 95th pl. The improvements mostly caused by political conditions and regulations, health and hygiene sub-criterias. On the other side on business environment (from 104th to 132 th pl.), human natural and cultural resources (from 84th to 100 th pl.), criterities from 2007 to 2011 years can be seen a slowdown. Regarding the sub-criterias of Business and Infrastructure slowdown is caused mostly by air ways and highways infrastructure. The human and natural and cultural resources regress is mostly caused by sub-criterias of human resources.

3.2 Kazakhstan's Position

The Travel and Tourism Competitiveness Index and indicators relating sub-components of Kazakhstan Republic during the years from 2007 to 2011 is given on Table 7.

If we take a general view for a Travel and Tourism Competitiveness capacity of Kazakhstan, compared to 2007 we can see the improvement in the criteria of regulatory frame. In the year 2007 Kazakhstan is on 81th pl., in 2011 has taken 65th pl.

The improvement mostly caused by political conditions and regulations, health and hygiene sub-criteria's. It also has been seen a very little difference of regress in business and infrastructure criteria's (in 2007th on 81 th pl. in 2011 th on 88th pl.). Due to criterities of human natural and cultural resources it has been seen a serious regress in Kazakhstan. In the year 2007 Kazakhstan on the 90 th pl., in 2011 appears on 123 th pl. This condition is caused mostly due to attitudes toward travel and tourism and sub-criteria for human resources.

Table 7: Travel and Tourism Competitiveness Index over Kazakhstan

Main criteria	Country Ranking			Sub-criteria	Country Ranking		
	2007	2011	Difference		2007	2011	Difference
T&T Regulatory framework	81	65	16	▪ Policy rules and regulations	106	95	11
				▪ Environmental sustainability	80	129	-49
				▪ Safety and security	76	108	-32
				▪ Health and hygiene	45	9	36
				▪ Prioritization of Travel & Tourism	97	93	4
T&T Business environment and infrastructure	81	88	-8	Air transport infrastructure	75	86	-11
				Ground transport infrastructure	72	96	-24
				Tourism infrastructure	100	81	19
				ICT infrastructure	78	61	17
				Price competitiveness in the T&T industry	51	92	-41
T&T Human, cultural, and natural resources	90	123	-33	Human resources	60	80	-20
				Affinity for Travel & Tourism	58	126	-68
				Natural Resources	115	107	8
				Cultural Resources	101	118	-17

Source: Compiled from the World Economic Forum's Travel and Tourism Index Report. www.weforum.org, 20.03.2012

3.3 Azerbaijan's Position

The Travel and Tourism Competitiveness Index and indicators relating sub-components of Azerbaijan Republic during the years from 2007 to 2011 is given on Table 8. If we take a general view for a Travel and Tourism Competitiveness capacity of Azerbaijan, compared to 2007 we can see the improvement in the criteria of regulatory frame. In the year 2007 on 77th pl., in 2011 has taken 59th pl. The improvements mostly caused by political conditions and regulations, the priority sub-criterias given for travel and tourism.

Table 8: Travel and Tourism Competitiveness Index over Azerbaijan

Main criteria	Country Ranking			Sub-criteria	Country Ranking		
	2007	2011	Difference		2007	2011	Difference
T&T Regulatory framework	77	59	18	▪ Policy rules and regulations	96	74	22
				▪ Environmental sustainability	104	92	12
				▪ Safety and security	38	57	-19
				▪ Health and hygiene	63	54	9
				▪ Prioritization of Travel & Tourism	84	54	30
T&T Business environment and infrastructure	70	87	-17	Air transport infrastructure	77	83	-6
				Ground transport infrastructure	49	58	-9
				Tourism infrastructure	101	96	5
				ICT infrastructure	73	88	-15
				Price competitiveness in the T&T industry	17	76	-59
T&T Human, cultural, and natural resources	88	105	-17	Human resources	36	49	-13
				Affinity for Travel & Tourism	65	98	-33
				Natural Resources	110	109	1
				Cultural Resources	99	81	18

Source: Compiled from the World Economic Forum's Travel and Tourism Index Report. www.weforum.org, 20.03.2012

It can be seen the regress in criteries of business environment and infrastructure (in 2007th on 70 th pl. in 2011 th on 87th pl.). Stil it has been seen the regress on criterias of human, natural and cultural resource. In the year 2007 Azerbaljan was on 88th pl. in 2011 appears on 105th pl. This condition is caused mostly due to attitudes toward travel and tourism and sub-criteria for human resources.

4. Conclusions and Recommendations

If the overall evaluation will be conducted by Travel and Tourism Competitiveness Index, among the Central Asian Turkish Republics Kyrgyzstan, Kazakhstan and Azerbaijan can not be said the positions are strongest. The mentioned countries are in progress on tourism regulations range, but according to business environment and infrastructure, human, natural and cultural resources criteria the situation is not good, unlike there can be seen regression last five years. However, in spite of the disadvantages, the region's rich natural and cultural resources, due to the fact that the region is undiscovered yet and can be said to be a new candidate one of the world's new centers of attraction. In this context, both domestic and foreign investors their investment plans in this area considered to be an important factor to stimulate the region's potential.

To obtain the expected results in tourism sector it is necessary to increase and speed up competitiveness studies. In particular the studies should be addressed for Infrastructure and Superstructure. Accordingly Entrepreneurs have an important role in it. To guide domestic and foreign investors in this sector, may be appropriate special incentives.

To have the right position from a tourism view on international level, according to criteria other than price it must be increased the competitiveness power. This opportunity is not enough with the power of Government Agencies regulating the tourism industry, but may be realized with the efforts of entrepreneurs, people's cultural and natural resources with tourism-conscious features. Furthermore, better assessment of human resources the development of an entrepreneurial culture studies must be considered important.

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