

Fragmented development: Tourism-driven economic changes in Kazbegi, Georgia



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ABSTRACT

The main purpose of the article is to analyse the peculiarities of tourism development and linkages between tourism sector and other branches of economy, especially agriculture, in the selected areas of Kazbegi Municipality - the town of Stepantsminda and villages of Sno and Juta.

The research is focused on the socioeconomic aspects of tourism development, in particular, tourism services provided by local communities with emphasis on the influence of the family farming to the visitors' outlook with reference to the local agricultural products.

It is notable that participant observation of stakeholders and in-depth interviews with native and inbound tourists was used to study the current stage and potential of the host communities in terms of tourism development.

Based on the research we argue that the observed rapid growth of tourist sector in the areas under investigation triggers economic growth, however the development is still fragmented and incomplete, as other branches of economy like agriculture, trade, etc., that should be connected to tourism activities, do not enjoy the expected growth.

The research combines innovative and well established methodological approach for collecting and analysing qualitative data with help of MAXQDA and MAXApp.

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1. Introduction

The positive role of tourism for economic development of countries, especially of those with weaker industrial and innovative technological potential, is almost universally acknowledged. Due to the fact that areas with limited economic potential like high mountain regions in recent decades developed as recreational and leisure destinations, their economic value has rapidly increased. Tourism is seen as a major tool of regional economic growth in many mountain areas [1]. "Tourism offers, in principle, more opportunities for backward linkages throughout the local economy than other industries. Such opportunities include both direct links, such as the expansion of the local farming industry to provide food for hotels and restaurants, and indirect links with, for example, the construction industry" [2]. However, in many cases the mentioned opportunities are not always successfully capitalized, which point to **fragmented economic development** and insufficient improvement of quality of life for local citizens and communities, in spite of fast

growth of tourism sector.

The obvious benefits of tourism sector cannot be denied in the Georgian economy. It is remarkable that Georgian mountainous regions have a limited economic potential. Therefore, tourism is seen as an engine of income and source of employment. It should bring the most important economic benefits for host communities as well as improve other related industries such as agriculture, trade and etc.

After the collapse of the Soviet Union, in a course of land reforms and property privatization, small land plots have been distributed among local dwellers, with the average size of an individual farm in Georgia being 0.96 ha [3], while much less cultivated land was available in Kazbegi Municipality. According to the Agricultural Census Results (2014) average operated land per holding in Kazbegi is 0.53 ha (In Georgia and Mtskheta-Mtianeti Region, to whom Kazbegi belongs, this index amounts to respectively total 1.31 and 0.7 ha). This fact of land fragmentation has stimulated the prevalence of family-type farming in the region like in many other parts of Georgia. It should be emphasized that participant observation also showed that locals produce a small number of products, which are only enough for their families. The most shared social practices in agriculture is "farming for personal consumption", i.e. subsistence

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farming.

Conversely, Agricultural land in Kazbegi Municipality between 2004 and 2014 remained steady with 480 ha. The main part of this area was natural meadows and pastures i.e. extensively used agricultural land, comprising 378 ha, which is 79% of the whole lands under agriculture.¹

Despite the limited growth of agriculture, other branches of economy, except for tourism, have developed even less in the region. Hence, tourism and agriculture should be considered as the leading economic branches of Kazbegi Municipality over the whole period after the independence.

2. Methodology

Our study is based on the information which is obtained through the participant observation and in-depth interviews. The fieldwork of the qualitative research was conducted in Kazbegi Municipality between 2014 and 2015 [4].

2.1. Data collection methods

The fieldwork was conducted into two phases during two consecutive years –2014 and 2015. During the first fieldwork participant observation in research areas has been carried out [5]. The participant observation allowed identifying tourism services offered in the villages of Kazbegi Municipality and the town of Stepantsminda.

Participant observation included relatively short interviews (15–35 min), which could be characterized as less formal and less interviewer-driven. The latter approach enabled an informant to get on a research related topic and then lead the conversation. It is notable that the respondents provided the study with such important points that were unknown for researchers. This kind of information enabled the development of in-depth interview guidelines for the following/second year fieldwork (2015).

In-depth interview was used to capture feedback on tourists' experiences, satisfaction and expectations with regard to tourism services and provided goods. In this case in-depth interviews were conducted like conversations, while tourists were able to stress the issues or aspects which were important to them, pointing out views and feelings to the research issues to achieve the coverage of study questions. It should be emphasized that in order to fully understand the respondent's perspective, during the interview they were able to look and analyse the issues from different positions. This approach enabled to clarify their attitudes to research related issues. Interviews from audio format were converted into written transcriptions.

2.2. Target groups

Participant observation was conducted in places like cafes, trout farm, public spaces, etc. The 26 unstructured interviews/conversations were recorded with representatives of different providers of tourism services. For instance, managers or other employees of travel companies, cafés and restaurants, owners of guesthouses and a trout farm, managers of hotels, shop assistants and guides.

In 2014 during the participant observation target group was selected for the interviews. The list of characteristics of respondents was created before the fieldwork and included informants with different positions in tourism industry.

During the second fieldwork (2015) the selected respondents for in-depth interviews were the key informants for the study area. Target group of the study were tourists who have been travelling in Kazbegi Municipality and stayed in hotel and hotel-type establishments (guesthouse) at least for two days. They consisted of eight native and international tourists with different profiles (gender, age, citizenship, type of accommodation, length of stay, education level) in order to increase trustworthiness of collected data.

2.3. Data processing and analysis

The research uses the **Grounded theory** approach, which includes the process of collecting empirical data through in-depth interviews and participant observation, coding different types of information with help of Computer-Assisted Qualitative Data Analysis software.

Firstly, data of the both conducted fieldworks (2014, 2015) was gathered and/or analysed in MAXApp and then all collected information was transferred in the professional software program MAXQDA.

In order to eliminate bias in the following research every interview was recorded (Duration of each in-depth interview was 35–45 min). It is notable that this fact was permitted from interviewees. Importantly, audio-recording of in-depth interviews enabled the text transcribing process with a possibility to make direct quotations/interview narratives in the article [6].

The qualitative content analysis method has been chosen according to the research purpose. The analysis was implemented by means of Computer Assisted Qualitative Data Analysis (CAQDA) tool, namely, MAXQDA. Following the procedures of the qualitative content analysis the coding system developed, which consist of following categories: importance of national cuisine, lack of variety of traditional local food, attitudes towards local agricultural products.

2.4. Statistical sources and data overview/analysis

Statistical analysis was used in order to explore the expansion of the tourism growth in the last decades, offering new tourism services and showing some important trends in the local agricultural product cultivation (agricultural land use) and farming (different type of farming among others cattle, buffaloes, sheep, goats, colonies of bees, horses). The main source was the database of National Statistics Office of Georgia which consists of Agricultural Census results held in 2004 and 2014 as well as tourism statistics collected regularly from the officially registered hotels and hotel-type establishments.

In order to determine tourism growth in Kazbegi number of tourist's arrivals between 2003 and 2015 was analysed. Fig. 1 shows a spectacular growth of tourists to the Kazbegi area over last decade or so. Admittedly, to explore how tourism market meets the growing demands in mentioned industry, along with other statistical data, information about number of places in the hotels and hotel-type establishments was analysed.

Furthermore, according to the research purpose statistics of State Department of Land Management of Georgia, in particular information about the agricultural land use and farming trends in research areas was analysed. Additional data, namely the Agricultural Census results of 2004 and 2014 were officially requested from National Statistics Office of Georgia, which was not available online, to fulfil the intended purpose.

3. Theory

The influence of tourism industry on other branches of economy and, generally, on regional development is widely acknowledged.

¹ <<http://geostat.ge>/National Statistics Office of Georgia> **Note:** Mentioned information we requested from National Statistics Office of Georgia and it is not available online/on site, and we got it in written form.

'Travel & Tourism has strong linkages to other industries within national economies generating significant indirect benefits. At the same time it can increase trade opportunities, foreign investment, investments in private and public infrastructure, local development, etc.' [7]. Many authors (e.g. Trapper (2011) [8], Briedenhann & Wickens (2004) [9], Seidl et al. (2006) [10]), study ways and extent of tourism influence on local development, sometimes putting under question the hypothesis of tourism's positive impact. Our research also aims at examining whether tourism development in Kazbegi Municipality is affecting or not a growth of other branches, especially agriculture.

As mentioned before, we use the Grounded theory approach in our study. Grounded theory started in the mid-1960s with Strauss and Glaser [6]. This approach has attracted a great interest around the world. Grounded theory is currently the most widely used and popular in qualitative research across a wide range of disciplines and subject areas [11]. Strauss, Glaser and later Corbin, Charmaz and Clarke developed the Grounded theory, in which categories and coding plays a crucial role [6].

Formulating theory/explanation through inductive reasoning was a response to the critique that quantitative positivist paradigms did not provide in-depth understanding of social phenomena [12]. The main purpose of induction is to build new explanations, rather than test existing theory, its main empirical focus is on collecting data from the real world as a resource to be used in developing explanations or theory. Thus, the collection of empirical data occurs much earlier in the inductive approach than in deductive approach and its role is different from that found in deduction [13].

It is notable that Grounded theory has become a popular and increasingly important research methodology in tourism studies, thus acknowledging the multi-disciplinary nature of tourism and the moving away from a previously dominant business and quantitative focus. Using Grounded theory in tourism studies provides researchers with a lens into tourist behaviour at a specific time, and, in particular, behaviour that may not have been studied before from a qualitative perspective. Nowadays, the Grounded theory approach continues to play an important part in tourism studies research and has become even more important [12].

4. Results

General assessment of tourism industry, as well as of agricultural sector in Kazbegi Municipality is based on statistical data. It is remarkable that turbulent changes occurred in Kazbegi in the period of the last ten years in the both of these sectors.

According to the National Statistics Office of Georgia, almost 10,000 foreign tourists visited Kazbegi in 2007 and after six years (in 2013) number increased threefold. It should be pointed out that in 2014 Kazbegi opened its arms to 91 047 visitors, whereas 54 036 were international tourists. It is also noteworthy that the total number of visitors has increased by 27%, compared to the previous year (See Fig. 1). Interestingly enough the total number of beds in hotels and guesthouses has dramatically increased between 2007 and 2012. According to the National statistics office of Georgia the amount of rooms in Kazbegi reached 725 in 2014 and has increased rapidly compared to 2012 when this number equalled to 174 (See Fig. 2).

The last two Agricultural Censuses were hold in Georgia in 2004 and 2014. Thus the presented description of agriculture relies on two databases and provides opportunity to compare result of 2004 with Agricultural Census 2014. In contrast with the rapid increasing trends of visitors, the statistical information affirms that the agricultural activities in the same period and same areas have significantly lessened according to the National Statistics Office of Georgia. For instance, it is notable that potato is the most common annual crop for all villages in Kazbegi Municipality. In spite of this, potatoes

are not taken off as cash crops in the target area; They are mainly grown for personal consumption, as there is no marketing channel for selling it and generating income for family's needs. According to the Agricultural Census of 2004, the total area under potatoes cultivation was 85 ha. Conversely, the data of the last Agricultural Census in 2014 revealed that the amount of total area dramatically decreased and now amounts to 48 ha.

As locals say, carrots, cabbage, beets are the most common vegetables. Compared with statistics of 2014 vegetables has occupied 1 ha less than in 2004.

The number of livestock has fallen spectacularly between 2004 and 2014. As the data illustrate the number of sheep has dropped sharply by 14,500 unites and made up only 4315, whereas cattle decreased nearly with 1500 unites. Similarly, a downward trend is visible also in the number of horses (See Fig. 3). Apart from cattle and sheep villagers keep poultry. The number of poultry in the region could not be estimated with certainty (home consumption only).

Bee-keeping is a niche occupation in Kazbegi; the total number of colonies of bees fell significantly from 2004 to 2014 and is comprised by 246 colonies. According to the statistics of National statistics office of Georgia holdings with colonies of bees are twenty in the research area.² Fruit trees including apple, peer, cherry, and sweet cherry are common to many villages of the target area [14].

As the data revealed there is a sharp contrast in terms of growth trends between tourism and agricultural sector.

Based on the in-depth interviews we can conclude the tourists' attitude towards the quality of the service in the cafés and restaurants (Generally, the cafes and restaurants are main tourism attraction, where tourists discover/taste local dishes) and local agriculture products. The most of the respondents stressed dissatisfaction from menu offered in catering places; they mentioned the importance of national cuisine offered in cafes and restaurants. As the respondents mention the cafes/restaurants in Kazbegi do not offer traditional local food and also, tourists complained about lack of variety in offered food – they were unhappy with almost the similar menu cards in cafes and restaurants.

"I would like to see Georgian food in restaurants. We were in two or three restaurants but there was not traditional food. We do not want European cuisine we want to eat local food." (Male, Asia, Guesthouse, Age 56)

"Here [Kazbegi] in every café/restaurant menu cards are the same. Unfortunately, in Kazbegi is not special kind of beer. I think it would be great because every visitor will be interested to try it." (Male, Georgian, Hotel, Age 25)

On the other hand, visitors showed a positive attitude towards the local agricultural products when and where they were available, because, as they assume, products in Kazbegi are more organic and environmental friendly. They think that the locals do not use chemical fertilizers and pesticides.

"I think when it was collective farm here during the Soviet Union everyone was growing up their own products. So I suppose that agricultural products in Georgia are more organic then let's say somewhere else, because I am not sure if they have kind of technologies and they can give this entire chemical to put it in products. They make it like they did it like, I do not know, 50–80 years ago. So it is supposed to be more organic than anywhere else." (Male, Asia, Guesthouse, Age 56)

² <<http://geostat.ge>/National Statistics Office of Georgia> **Note:** Mentioned information we requested from National Statistics Office of Georgia and it is not available online/on site, we got it in written form by them.

The mentioned attitude of the tourists is determined by mainstream social practices and culture, the way the local dwellers use and cultivate the land.

5. Discussion

The existed statistical data proves that the connection between tourism and agriculture in Kazbegi Municipality is emerging but, in practice, is not yet implemented and organized. On the one hand, tourism development increased the need for local agricultural products and workers, as the interviews with visitors show; on the other hand, to date these two large industries don't coexist and are minimally linked.

This fact affirms that tourism activities in the research area are not effecting so far the growth in agricultural sector, for local food provision. During the participant observation, it was seen that agricultural products are available in stores and "open bazaars". Open bazaars in Kazbegi are of special type; they are presented by one or two sellers (street vendors) trading in an open space. Sometimes cars or other vehicle are used as bazaar stalls. There are different types of product in stock, such as fruits and vegetables, eggs, etc. Meantime, it is notable, that a large part of agricultural production provision in Kazbegi so far is done by using imported products from Tbilisi and Marneuli (Kvemo Kartli region, Georgia).

It should be pointed out that only a small number of locals are involved in the food and agriculture product supply process, as there is a very limited interest to get engaged in agriculture production and marketing/sell of products. The same situation is observed in the meat realization process. As for the fact that they do not sell meat to cafes/restaurants, the most locals are not focused on developing livestock farming and selling them in Kazbegi. It should be noted, that the mentioned statistics on the dramatically changing number of livestock proves this attitude from locals.

Disregard for the fact that based on the National Statistics Office of Georgia agricultural activities lessened in the research area, during the research the observation showed that Sno is yet to attract tourists with its trout farming. In the separated ponds farmer produces different sizes of trout (the ponds with different age trout's). Result of the research emphasizes that this trout farm supplies several clients: the main customers are local residents, cafes and restaurants. The owner of this farm intends to expand his business. Building cafes where tourist can taste trout will probably be the first step, followed by arrangement of fishing places for visitors. Due to the fact, that the trout farm is the only one in the research area, it will definitely increase the awareness of village Sno. Mentioned farming will become an incontrovertible tourism attraction for visitors with its propitious location and high-quality product. In the case of the mentioned village which has the lowest number of visitors compared to other research areas, this farm could increase the attractiveness of Sno and spread tourism in the village.

As it was seen more or less readily available in agricultural products is honey. Most importantly, it is produced by local community and is sold in stores, markets and also along the motor-road. Moreover, during the fieldwork in Juta, honey bee farming was observed in the centre of the village. In compliance with other tourist areas, this advantage of Juta is attractive for tourists.

In case if a tourist wants to buy butter, cheese, sour or any type of milk product, they can approach any particular family and buy products from them. It is clear that the locals produce a small number of products, which are only enough for their families and, in some cases, for selling them to travellers.

A corollary to the above affirms that, loss of agricultural lands and cultivated areas in order to develop tourism business, locals are more oriented to profit from the tourism than from agriculture. This

leads to the conclusion that tourism and agriculture are considered by the local population as alternative and contested branches of economic activities rather than complementary sectors which could lead to better synergy and income growth. Consequently, tourism which is perceived by locals as more perspective, profitable and less demanding is replacing agriculture in terms of population (self-) employment, resource allocation, etc., creating a pattern of fragmented, non-systemic economic development in the study area.

6. Conclusions

The results of the research show lack of economic linkages between tourism and agriculture sectors in Kazbegi Municipality. As the research revealed, on the one hand, tourism development increased the need for local agricultural products and, apparently, workers employed in farming. On the other hand, to date these two main branches of economies don't coexist and are minimally, insufficiently interlinked. Besides agriculture other economic sectors, which are inextricably connected to the development of tourism business and should encourage local community with indirect or direct employment, are only partially if at all developed.

One of the main conclusions draws that tourism business in Kazbegi undergoes a rapid growth of tourist's inflow and tourist demands, which is attempted to be addressed through fragmented business/economic measures and sporadic development of tourism services. According to the tourists' narratives, despite an overall satisfaction, they stress the importance of more quality oriented services and friendly environment in hotels and guesthouses, as well as cafes and restaurants. It is also noteworthy that based on respondent's interviews, mostly their dissatisfaction is caused by the paucity of traditional dishes in cafes/restaurants. In the meantime, they fall short in finding required variety and diversity of goods, as well as adjacent activities and services neither in tourism sector, nor in adjoined economic branches, like agriculture and food production.

Ultimately, it should be punctured that at present tourism business in the research areas is the dominant economic sector, in which local residents are highly involved and which gives some increasing economic profit to them in a short-term perspective. Conversely, the need of agricultural activities as well as tourism service development is seen for the long-term social and economic viability and sustainability of tourism development. Otherwise the great resonance that tourism has produced in the area, as well as congenial attitudes from tourists may fade away in years to come. Hence, systemic and consolidated approaches with strong local community inclusion, better knowledge, skills and awareness of population, and appropriate policies for tourism and agriculture is required for replacing the fragmented development, which is observed nowadays, in order to ensure irreversible and sustainable progress of economic sectors and improvement of quality of life of the population of this mountainous region.

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Appendices

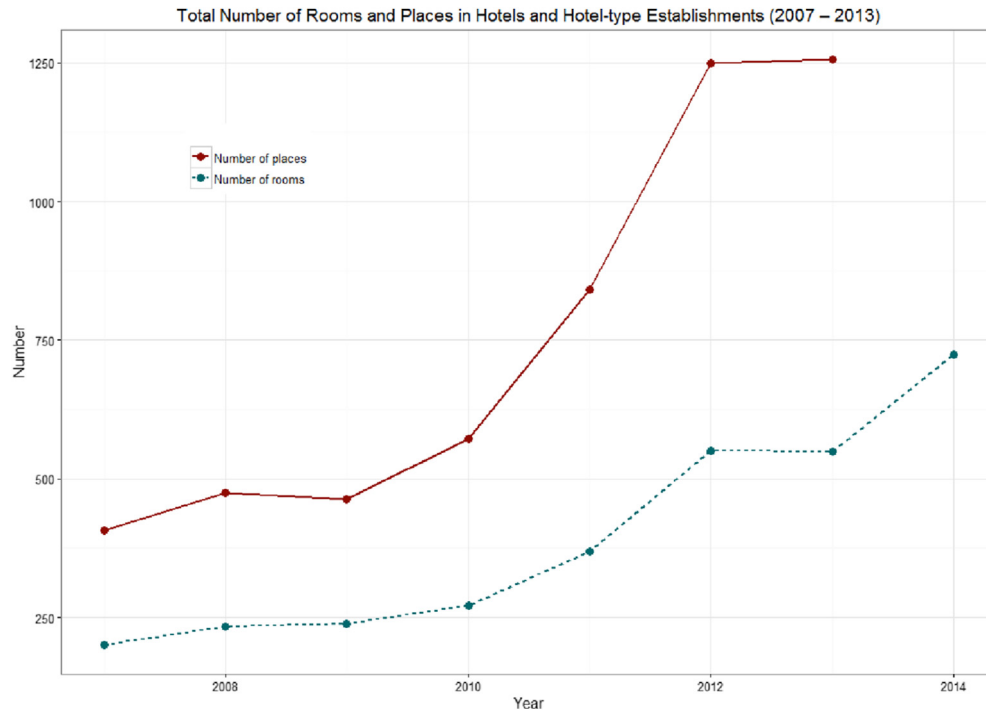


Fig. 1. Total number of rooms and places in hotels and hotel-type establishments (2007–2013).
Source: National Statistics Office of Georgia

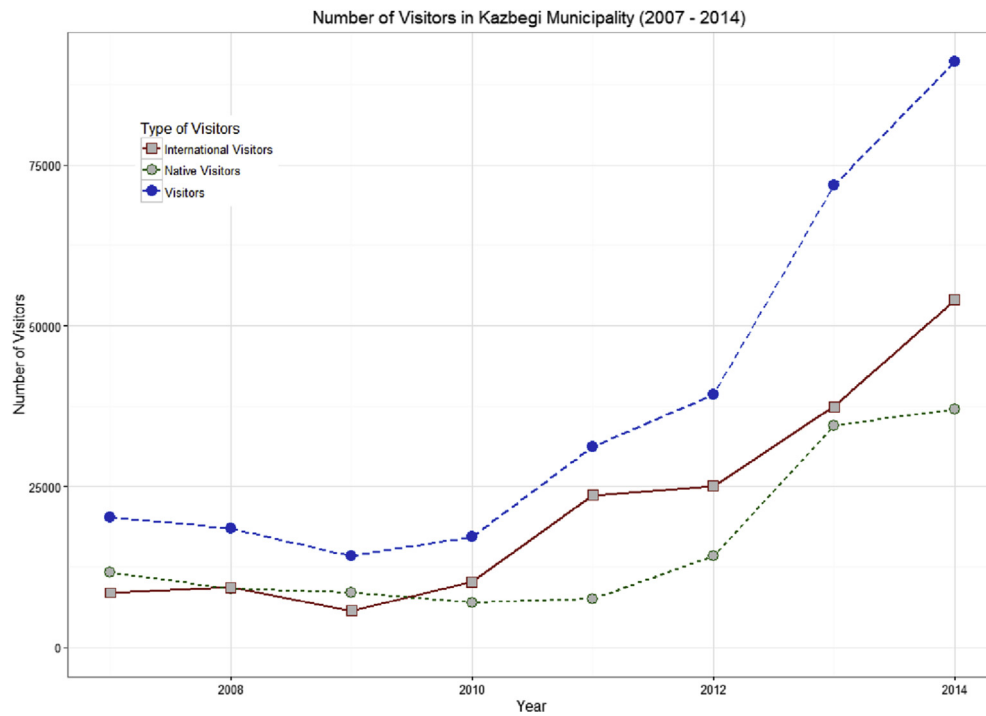


Fig. 2. Number of visitors in Kazbegi Municipality (2007–2014).
Source: National Statistics Office of Georgia

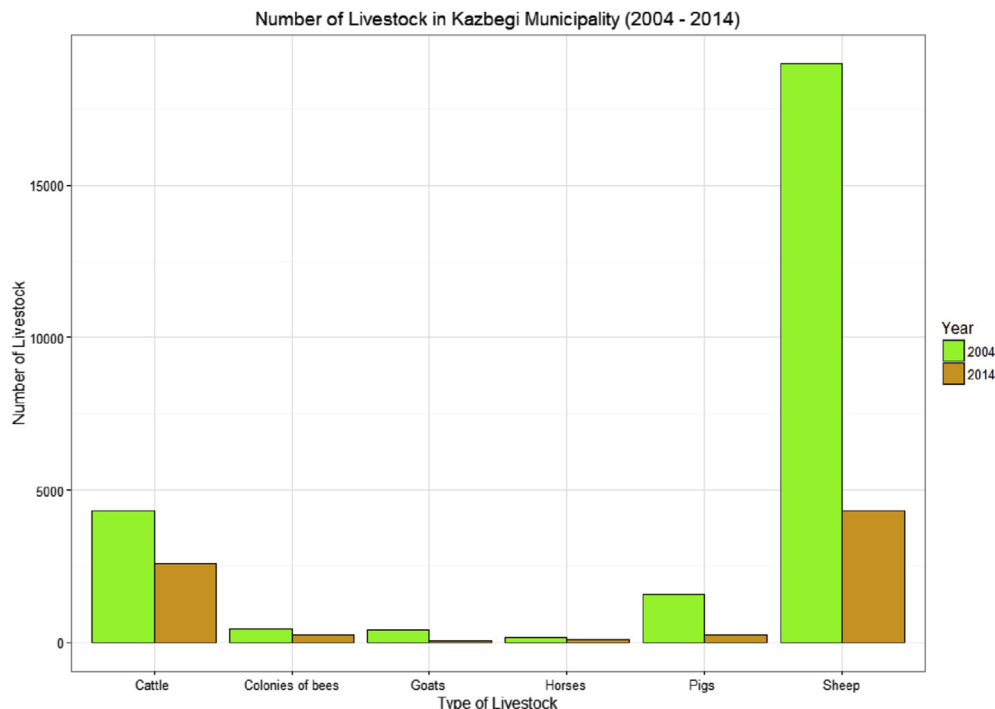


Fig. 3. Number of livestock in Kazbegi Municipality (2004–2014).

Source: National Statistics Office of Georgia

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