

OPPORTUNITIES AND OBSTACLES OF DEVELOPMENT OF TOURISM IN THE REPUBLIC OF ARTSAKH

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Abstract

Tourism is one of the key spheres of socio-economic development of Artsakh. However, the worldwide Coronavirus pandemic of 2020 and the war unleashed against the Artsakh Republic in autumn of 2020 had a profound and irreversible impact on the entire economy of Artsakh, particularly on that of tourism. As a result, the movement of people and the opportunity to travel has been limited while the development of tourism is directly conditioned by the increase in the number of tourist visits and the income received from them. In the created difficult socio-economic and military-political conditions, the definition of directions for the restoration of the whole economy and tourism, the further development of the sphere, the development and implementation of effective and non-standard measures for the identification and elimination of existing obstacles are gaining great role and significance. The article presents the current state of the sphere and analyzes the main priorities for the development of tourism in the conditions of new realities in Artsakh. The existing challenges and problems facing tourism in Artsakh are identified and practical recommendations are presented to ensure competitive and sustainable development of tourism.

Key words: tourism, hotel business, payment balance, sustainable development, social-economic, Artsakh, crisis, marketing policy.

Introduction

Tourism is one of the fast growing industries in the world economy. It is of great economic importance to any country with tourism potential. Tourism is a field of business that meets the needs of the tourist, provides significant income to developing countries and regions. Tourism has become a source of income in many countries today as the significant part of the income goes to the state budget.

The development of the sector is characterized by the fact that by providing cash flows, it can have a significant impact on the economy and territorial development of any country, contribute to the creation of new jobs, improve infrastructure, i.e. hotels, roads, parks, food courts and entertainment places will be built and reconstructed. The prosperity of tourism can greatly contribute to the country's integration into international political, social and economic structures.

Conflict setting

Sustainable growth of tourism has a positive impact on the socio-economic situation in the country. Taking into account the current developments in the world economy, the Artsakhi economy should be able to rely as much as possible on those sectors of the economy for the development of which there are favorable conditions in the country. One of such branches is tourism. Tourism in Artsakh is one of the key spheres of socio-economic development of the country.

Like many mountainous countries, Nagorno-Karabakh is rich in recreational resources. The beautiful nature of our highlands, the unique landscapes, the historical and cultural rock-cut and hand-made monuments, the rich flora, peculiarities of the Armenian cuisine and the traditional hospitality of the people are important factors for the development of local and foreign tourism. In this context, tourism in the Republic of Artsakh was defined as a priority sector of the economy by the Law of the Republic of Artsakh on Tourism and by the relevant decree of the Government and recently it has become one of the most dynamically developing sectors in the country. However, the spread of coronavirus worldwide and the war unleashed against Artsakh since September 27, 2020 has had a profound and irreversible impact on the entire economy of Artsakh, particularly in the sphere of tourism. Unfortunately, after the 44-day war, along with the loss of the territories of Artsakh, about 2000 historical-cultural and architectural monuments, including 13 monastic complexes, 122 churches, 52 castles, 536 crossstones and 4 chapels remained in the territories occupied by the enemy and visiting a number of touristic places and sites of interest has become difficult or impossible.

As a result, the tourism sector faces new challenges and problems the solution of which requires systematized new approaches, events and action plans.

Research results

Existence of corresponding potential and the tendencies of tourism development registered in Artsakh recently prove the attractiveness of the branch, therefore, it is necessary to direct the available resources to the development of tourism directions which will maximally contribute to the progress of the tourism industry in Artsakh. Due to this, one of the promising directions of economic development by the Government of the Republic of Artsakh is tourism and significant steps were taken to improve the state regulation and management of the sector.

Due to the war and the coronavirus, the movement of people and the opportunity to travel has been restricted, while the development of tourism is directly conditioned by the increase of touristic visits and the income received from them.

In terms of tourist visits, high rates have recently been registered in Artsakh. According to the data of statistical service, 41963 foreign tourists visited Artsakh in 2019. By the way, the maximum growth of more than 70% was registered in the third quarter, when the CONIFA European Championship and the 7th Pan-Armenian Summer Games were held in

Artsakh which speaks of the positive direct impact of such events on the tourism. Evidence of this is the increase in the number of tourists visiting Artsakh in 2019 which exceeded the same rate of the previous year by 13,375 people or 46.8%, and this number has increased about 7.8 times compared to 2008 (Fig. 1).

It is obvious that the tension on border has an impact on the tourism sector which is evidenced by the decrease in the number of tourists in 2014. It should be noted that the number of foreign tourists visiting Artsakh in 2014 decreased by about 12% due to border tensions and 13961 tourists visited Artsakh in 2016. The decrease in the number was conditioned by the April four-day war which had a negative impact on the economy of Artsakh including the tourism.

It is obvious from Fig. 1 that compared to 2019, the number of tourists decreased by 39,519 people or 94.2%, in 2020 which was due to the negative impact of two factors: the KOVID-19 epidemic and the 44-day war between Azerbaijan and Karabakh.

According to official statistics, 2444 tourists from 45 countries visited the Artsakh Republic in 2020 instead of 41963 tourists from 93 countries of the previous year. The citizens of Russia, Iran, the USA, the Ukraine and France are in the first 5 countries visiting post-war Artsakh. The dominating majority are Russian citizens. Out of the total number of tourists, 1550 people or 63.4% visited the republic from the Russian Federation, 303 people or 12.4% from the Islamic Republic of Iran and 103 people or 4.2% from the United States of America (Table 1). It should be noted that the number of tourists arriving in Artsakh from the Republic of Armenia is not calculated or published, while the development of the tourism sector is definitely influenced by tourists from Armenia who stay at hotels, use street food, use public transport services and go shopping, etc. Therefore, in order to comprehensively assess the contribution of tourism to the economy of Artsakh, it is necessary to calculate the number of tourists from Armenia and the amount of money they spend here.

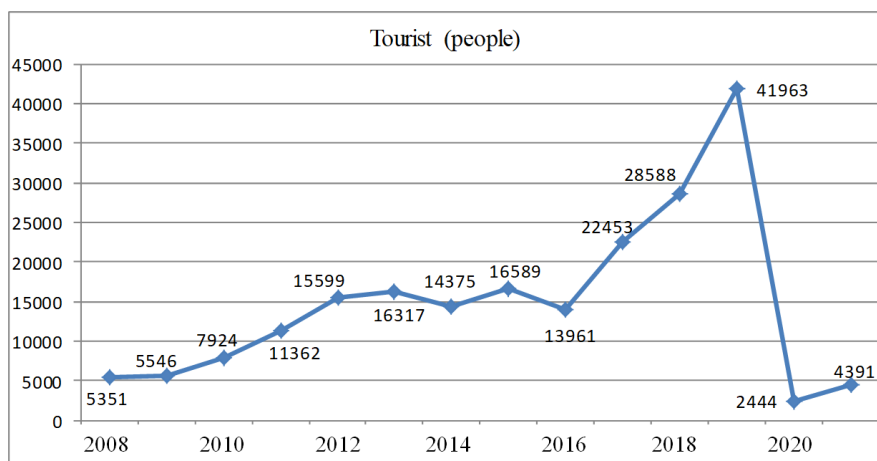


Fig. 1 Number of tourists visited Artsakh in 2008 - 2021

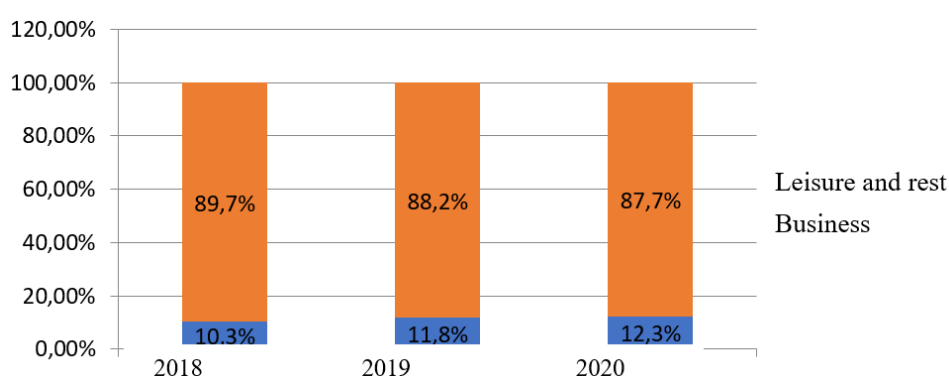
1447 foreign tourists visited Artsakh in January-June 2021. The geography of tourism has not changed during this period as the majority of visitors are citizens of Russia, followed by citizens of the United States, the Ukraine, France and Spain. The first major problem for foreign tourists is the problem of entry visa that is why the number of foreign tourists is small. The number of tourists has decreased by 30% in 2020 compared to the same period of June-January in 2019 and by 87% compared to the normal tourist period [1]. From January 1 to December 31, 2021, 4391 foreign citizens visited the Republic of Artsakh. This figure

increased by 45.6% compared to 2020 and decreased by 89.5% compared to the same period in 2019 [2].

Table 1**Tourist visits according to purpose and country [3]**

	2018				2019				2020			
	Total	Purpose			Total	Purpose			Total	Purpose		
		Business	Personal			Business	Personal			Business	Personal	
			Business	Education			Leisure and rest	Education			Business	Education
Total	28588	2940	25642	6	41 963	4965	36 998	-	2444	300	2144	-
among which												
RF	15863	1562	14301	-	19 160	1696	17 464	-	1550	85	1465	-
The USA	3494	261	3232	1	7 527	521	7 006	-	103	13	90	-
France	1041	193	848	-	1 661	178	1 483	-	49	-	49	-
Germany	657	38	619	-	765	108	657	-	23	2	21	-
IIR	637	277	360	-	391	200	191	-	303	193	110	-
The Ukraine	540	106	434	-	526	104	422	-	81	-	81	-
Other countries	6356	503	5848	5	11933	2158	9775	-	335	7	328	-

Over the years, the picture remains unchanged in terms of the distribution of the purpose of the visit. 89.7% of tourists (25642 people) visited Artsakh for leisure and entertainment, 10.3% (2940 people) for business purposes and 6 people for educational purposes in 2018, 36,998 people or 88.2% visited for leisure and 4965 people or 11.8% for business purposes out of the total number of tourists in 2019. Of the total number of tourists visiting Artsakh 2144 people or 87.7% visited for leisure and 300 people or 12.3% for business purposes in 2020 (Fig. 2) [4].

**Fig. 2 Tourists visiting Artsakh according to their purpose in 2018-2020**

Examining the balance of payments of the Republic of Artsakh which reflects the financial inflows and outflows from tourism, it should be noted that the negative balance of travel services amounted to 593.5 million drams in 2020 (against 532.0 million drams in 2019) or 1241.3 thousand dollars (credit - 3582.4 thousand dollars, debit - 4823.7 thousand dollars) [5]. It turns out that our population spends more abroad than foreign tourists [6] on goods and services in Artsakh. Thus, the amount received from tourists arriving in Artsakh

amounted to 3582.4 thousand US dollars in 2020, so the average cost of one tourist was 1465.8 US dollars (in 2017, each average tourist spent 104 US dollars, in 2018 - 80 dollars and in 2019 - 137 USD).

According to the Artsakh NSS, the volume of accommodation and public catering services comprised 16.3% of the total services in 2020 (12230.9 million drams of which the organization of accommodation - 575.7 million drams, the organization of public catering - 11655.2 million drams) of which 23.2% shared to Stepanakert and 76.8% - to other regions of Artsakh [7].

Due to the targeted state policy implemented in the sphere of tourism, a stable development of tourism was registered in Artsakh Republic. However, as in any industry, tourism is not without risks, one of which is the spread of a new type of coronavirus around the world the negative impact of which is obvious on the world economy. In the current uncertainty, not only incoming but also outgoing tourism suffers. Losses are registered by hotel-motel services, street and public food services and tourist services. They faced serious problems as most of them were based on tourism. First of all, many cultural monuments stayed in the territories which are currently occupied by Azerbaijan and then, due to the uncertainties of the post-war situation, there are fears that tourism will have significant problems in the coming years.

Nevertheless, despite the great losses, Artsakh has a great potential for tourism to be presented by rural tourism, ecotourism, hiking, cognitive, adventurous and cultural tourisms.

One of the tourist features of Artsakh is the event tourism which is mainly reflected in the festivals that have already become regular. Although no festivals were planned for 2021, tourist destinations continue by the TOURIST BUS program: visits to Nikol Duman House-Museum, Gandzasar and Amaras Monasteries etc. According to the 2020 program, one could visit Hunot Gorge historical and cultural reserve, Tigranakert and Togh Royal Palace. Now those destinations are lost and in other places the infrastructures are not yet ready to receive tourists.

Nevertheless, steps are being taken to meet new challenges and present Artsakh as an attractive tourist destination. In particular, safe tourist areas have been identified and activities are being done in the areas of rural and eco-tourism importance, for hiking and jeeping tours. Vank, Kolatak, Tsmakahogh, Tsaghkashat, Patara and Astghashen communities, Tnjri, Bovurkhan monastery hill and Amaras monastery directions have been selected and Gandzasar and Amaras are currently available from the old tourist attractions.

After the war, the Department of Tourism and Historic Preservation monitored to develop alternative tourism destinations. As a result, new perspective directions are offered: rich historical and cultural heritage, Patara village with natural monuments, Kachaghakaberd, Koshik desert, Hakobavank, St. Stepanos church and Bovurkhan monastery. A new walkway will be popularized: Patara-Meidan-Kachaghakaberd-Koshik desert-Kolatak which is already in use.

Tourism industry of Artsakh always has opportunities to develop, regardless of the time. What is lost through the war is irreplaceable. The tourism of Artsakh should be developed thanks to local tourism. Among the most popular tourist attractions in Artsakh were Tigranakert, Togh Royal Palace, Gtchavank, and, of course, Shushi, which, unfortunately, due to the military aggression against Artsakh, are now occupied by Azerbaijan. But as an alternative we have many resorts which in the past had few visits. They also have cultural significance among which are St. Hagoba Monastery of Kolatak, "Ptkesberk" monastery

complex of Ulubab, “Bri Yeghtsi” historical complex in Martuni region and other places. Very few people know Koshik desert, Havaptuk Monastery or Ruzan Fortress, the Monastery of Yeritsmankats etc. Now one of the directions of the expedition is Patara which has been turned into a recreation center in a post-war period.

Artsakh has new tourist centers which can be developed as a result of pursuing the right policy in the field of state support. The main goal of the tourism sector in 2022 will be to alleviate the crisis, to promote the pace of tourism development in Artsakh, to develop the tourism product of the Artsakh Republic and to popularize it in the target markets. The events implemented in the sphere will be aimed at:

- development of tourism infrastructure,
- the resumption and expansion of incoming tourist visits, especially from the Republic of Armenia, the Russian Federation, the countries of the European region, the Middle East,
- development of socio-economic and cultural life of the communities of Artsakh Republic through tourism,
- definition of competitive tourist regions, centers and tourist routes including them in sectoral development programs,
- implementing the image of Artsakh Republic as an attractive and safe country in the world tourism market through the implementation of an active and effective marketing policy in the field of tourism [8].

Conclusion

The development of the tourism sector in post-war Artsakh is hampered by the lack of confidence in potential tourists in terms of safety, status and security uncertainties which seriously undermines the entire economic field, investment climate and business ambitions. Ensuring security and clear information from the state will enable the business community to implement investment programs and activities.

The tourism result of Artsakh is diverse in terms of historical and cultural- cognitive and gastronomic-rural tourism creating and presenting interesting tourism results. It is necessary to create a new tourism product and we need the support of both the private sector and the state for its development.

The main goal of the popularization of the tourism product should be the promotion of the Artsakh brand and tourist attractions in the segmented and priority markets. It is necessary to carry out the work both in the digital domain and through the traditional marketing toolkit.

Tourism can contribute to the development of communities in various ways. Events or holidays organized by the community for tourists and the hospitality provided to them will contribute to the social activity of the community and the jobs created in the tourism sector and the resulting generated income will be an incentive for the local population not to leave the rural communities.

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ԱՐՑԱՒՈՒՄ ԶՐՈՍԱՇՐՋՈՒԹՅԱՆ ՈԼՈՐՏԻ ԶԱՐԳԱՑՄԱՆ ՀԱՐԱՎՈՐՈՒԹՅՈՒՆՆԵՐՆ ՈՒ ԽՈՋԸՆԴՈՏՆԵՐԸ

Հարությունյան Լ.Յու., Հարությունյան Բ.Ա.

Շուշիի տեխնոլոգիական համալսարան

Զբոսաշրջությունը հանդիսանում է Արցախի սոցիալ-տնտեսական զարգացման առանցքային ոլորտներից մեկը: Սակայն 2020թ. ամբողջ աշխարհում տարածված կորոնավիրուսի համավարակն ու 2020թ. աշնանը Արցախի Հանրապետության դեմ սանձազերծված պատերազմն իրենց խորն ու անդառնալի ազդեցությունն են թողել Արցախի ամբողջ տնտեսության, մասնավորապես զբոսաշրջության ոլորտի վրա: Արդյունքում սահմանափակվել է մարդկանց տեղաշարժը, ճանապարհորդելու հնարավորությունը, մինչդեռ

գրոսաշրջության զարգացումն ուղղակիորեն պայմանավորված է գրոսաշրջային այցելությունների և դրանցից ստացված եկամտի աճով: Ստեղծված բարդ սոցիալ-տնտեսական և ռազմաքաղաքական պայմաններում մեծ դեր ու նշանակություն է ձեռք բերում ինչպես ողջ տնտեսության, այնպես էլ գրոսաշրջության վերականգնման և ոլորտի հետագա զարգացման ուղղությունների նախանշումը և առկա խոչընդոտների բացահայտման ու դրանց վերացման արդյունավետ ու ոչ ստանդարտ միջոցառումների մշակումն ու իրականացումը: Հոդվածում ներկայացվել է ոլորտի առկա վիճակը, վերլուծվել են ԱՀ-ում նոր իրողությունների պայմաններում գրոսաշրջության զարգացման հիմնական առաջնահերթությունները: Բացահայտվել են ԱՀ գրոսաշրջության առջև ծառայած առկա մարտահրավերներն ու խնդիրները և ներկայացվել գործնական առաջարկություններ գրոսաշրջության մրցունակ և կայուն զարգացում ապահովելու համար:

Բանալի բաներ. գրոսաշրջություն, հյուրանոցային տնտեսություն, վճարային հաշվեկշիռ, կայուն զարգացում, սոցիալ-տնտեսական, ճգնաժամ, մարքեթինգային քաղաքականություն:

ВОЗМОЖНОСТИ И ПРЕПЯТСТВИЯ ДЛЯ РАЗВИТИЯ ТУРИЗМА В АРЦАХЕ

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Туризм является одной из ключевых сфер социально-экономического развития Арцаха. Однако пандемия коронавируса, распространенная по всему миру в 2020 г., и война, развязанная осенью 2020 г. против Республики Арцах, оказали глубокое и необратимое воздействие на всю экономику Арцаха, в частности, на сферу туризма. В результате передвижение людей и возможность путешествовать были ограничены, а развитие туризма напрямую связано с увеличением туристических потоков и получаемых от них доходов. В сложившихся сложных социально-экономических и военно-политических условиях большую роль и значение приобретает обозначение направлений для восстановления как всей экономики, так и туризма и дальнейшего развития сферы, а также разработка и реализация эффективных и нестандартных мер по выявлению существующих препятствий и их устранению.

В статье представлено нынешнее состояние сферы, проанализированы основные приоритеты развития туризма в условиях новых реалий в Республике Арцах. Выявлены существующие вызовы и проблемы, стоящие перед туризмом РА, а также представлены практические рекомендации по обеспечению конкурентоспособного и устойчивого развития туризма.

Ключевые слова: туризм, гостиничное хозяйство, платежный баланс, устойчивое развитие, социально-экономический кризис, маркетинговая политика.

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