

TOURISM IN THE ECONOMY OF SISTAN AND BALOUCHISTAN PROVINCE (IRAN) AND ITS ROLE IN EMPLOYMENT

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Abstract— Today tourism and its economy are turning into one of the essential elements of global commercial economy, and development policy makers refer to tourism as an essential factor of constant development. It can play a great role in generating employment, occupational opportunities and income. Thanks to its excellent and varied geographical situation which makes recreation possible in all seasons, Iran has long been considered as one of the countries which can meet some part of its economic needs not only at the national but global level. Historical heritage and remains from ancient Iran such as those in Sistan and Balouchistan province can have a great part in the economy of the country and serve as a source of income which in turn has great effects on the culture and economy of the nation. In the present paper, it is attempted to evaluate and analyze the economic tourist activities in Sistan and Balouchistan with a focus on the existing potentialities. Based on the Basic Economic Theory, tourism can generate a high value-added which in turn affects the other economic sectors. Developing the industrial tourism and genuine plans such as launching free-trade zones on the borders and constructing multipurpose sea-ports in the entire province will highly facilitate the construction of tourist establishments and facilities.

Key words: *tourism, economy, employment, unemployment, advantage.*

I. INTRODUCTION

Referring to tourism as an 'industry' shows that most of the studies conducted on tourism enjoy an economic basis. In most of the investigations based on economic considerations, the respective justification focuses more on tourists, production, employment generation, and reinforcing effect of the tourist factor than on the experiences visitors gain. The motives, quality of goods, and services they get, vacationist programs and criticisms published in the magazines are all indicative of the fact that a tourist enjoys feelings, memories, and deprivations involvement, and disappointment. There are negative experiences and impressions, too[5]. Tourism is considered as one of the very important economic activities in the world where human beings move from one place to another where the goods do not, so it [tourism] is highly attended. It is of two types: international and domestic touring. The two direct and very crucial aspects of tourism and touring around Iran are generating employment and foreign currency. Since the Industrial Revolution and

especially in the recent century, this phenomenon has remarkably improved and has developed the international economic and social ties among the countries. Tourism services are considered as one of the important economic and social sectors of the developed countries, and investments in this sector have brought about fantastic results in the national and international development. Tourism development has expanded the infrastructures and generated employment opportunities and it has socially brought on dynamic cultural grounds. The main reason of tourism development results from the economic benefits, so the development of management of tourism, economic, environmental, and social, and cultural factors should be appropriately appreciated to plan for it perfectly[6].

The studies on tourism carried out among which Ibrahimzadeh, et al. (2007), Femand (1999), Pour Hassan (2000), Bagheri (2006), Leir (2002), Meitin (2001), Istambolis (2003) are prominent are all indicative of the fact that the increase of tourism share in the economy of the country and employment generation appears feasible by planning and developing facilities.

By virtue of ancient and historical documentation, it has become clear that Iran, especially Sistan and Balouchistan territory, has been the traverse and even the settlement of different nations and tribes and various dialects and languages spoken in the area are all indicative of variety of tourism activities. Physical features and skeletal characteristics of people are another factor that indicates the area has already been the passage of tourists who have mingled with the natives.

Balouchistan served as a route for the immigrants from Africa to Eastern Asia, and on return from China, Marco Polo traveled through this area in the 13th century. He said that the inhabitants of this territory enjoyed an independent kingdom and spoke a specific language; some were Muslims and some worshiped idols. Further, Auto, after his trip to Sistan and Balouchistan, wrote that this area was an independent area and its people were aware of and rightly familiar with trade and commerce, and they earned a living through trading various types of commodity. This area was previously referred to as Macron or Macroon and Arab traders called it with the same title. According to Itoldich, a British tourist, Macron refers to a combination of twelve fish and Khavaran- a type of fish- which were abundantly consumed in the area [4].

Since Sistan and Balouchistan has enjoyed the highest population growth rate recently and since its population is young in the country where employment generation feels essential, plans must be made to attract and employ the youth and prevent from their being wasted because of some deviations. Here, the tourist attractions of the country can serve as a good source of income and employment and can positively affect the economy and culture of the nation. Therefore, in the present study, the economic and tourist marketing activities of the country are analyzed and evaluated taking the existing market potentials into consideration.

II. POPULATION AND EMPLOYMENT IN SISTAN AND BALOUCHISTAN PROVINCE

Based on the census conducted by Iran's Statistical Center in 2006, the population of the province was 2,405,742 in 2006 where 193198 people (49.6%) lived in the urban areas and 1206547 (50.4 %) in the rural areas, and 5,997 people were nomadic and immigrants. In 2006, the unemployment rate was 13.2%.

The high rate of unemployment (13.2) is due to:

1. The age structure is the factor that has generally affected the employment and unemployment in the province of Sistan and Balouchistan where it has increased the unemployment rate. During the decade of 1996-2006, the population of the province soared up from 1,722,579 to 2,405,742 hitting a yearly average of 3.96% increase that is a remarkable percentage.

2. The economic participation and share of the province in 2006 reached 39.5% where the agricultural sector enjoyed 17.9 %, industry 41.3%, and services 40.8%.

3. At present, 50.4% of the population of the province lives in the rural areas. The investigation of urbanization and ruralization trend from 1996 to 2006 shows that the immigration trend from the rural areas to the urban areas has enjoyed an escalating trend. It is predicated that this trend will keep on in the future. The study of working population in the agricultural sector indicates that the number of working people and their percentage have been declining where from 2001 to 2006 the working people share in the agricultural sector has decreased from 21.7 to 17.9%. This decline is predicted to soar up in the future. This decrease has been due to:

- Population structure of rural areas and repelling force of excess population.
- Decline of villagers' income resulting in their becoming poorer and poorer and increase of their practical guardianship.

Consequently, the urban areas of the province will face a flow of rural immigrants on the one hand, and their age and sex structure on the other, and will enjoy plenty of active potentials. Moreover, during the past two decades, new and required occupations in the cities and villages of the province have slowly improved. In other words, job generation has not been proportionate to the flow of the immigrants to the cities. At present, it appears impossible to expect vocational opportunities to be provided for the unemployed population.

4. The increase of education level through the development of educational service rendering centers has created a range of unemployed people who are not easily directed toward tough jobs. In the 1970s, and even in the early 1980s, to reduce the pressure of unemployment in the country, construction and assembling industry were developed where most of the unemployed people were uneducated. However, in the recent decade, the number of educated people has increased and it has become impossible to employ them in the construction business. Therefore, the policies and programs should be planned in such a way that they can meet their [the uneducated people's] expectations.

Another factor that has escalated the significance of tourism in Sistan and Balouchistan is among the macro-economic policies that are getting independent of oil income. Today, tourism serves as a replacement for the provincial incomes. It appears significant to state that there can be two typical groups of tourists in any society. The first group is the international tourists who can be nationally and regionally beneficial and the second group is the native or national ones that can create employment in the area and can increase the income, though it may bring about some negative effects such as inflation in the short run.

Consequently, it is observed that at present the province is challenging a high rate of unemployment and decrease of incomes from economic activities. Therefore, to increase the income and related sources in the province and to eradicate the unwelcome phenomenon of employment that is the cause of many economic and social abnormalities, some unyielding, fast, and well-established strategies must be planned where the following are suggested:

1. Tourism industry (National in the short run and international in the long run),
2. International commerce and/or trade (for the long run along with the national strategies), and
3. Industry and construction

Of the three strategies suggested, the tourism industry can serve as a suitable agent because of facilities and potentialities existing in the area which will in turn result in the employment generation helping the province to earn enough income to better develop the industry of tourism and other sectors to gain more profits.

III. THE METHOD

To achieve the objectives of the study, the data were gathered through two methods:

- the documents existing in the national libraries, and
- the respective sources such as the Management and Planning Organization and the Cultural Heritage and Tourism Organization of Sistan and Balouchistan through taking notes, investigating their documents, surveying and interviewing the experts in 2007.

The relative advantage of tourism in the area is along with the thought based on regional or local planning. Planning enjoys three essential elements of purposiveness, decision making, and directionality for the future. In the process of development, planning serves to provoke and promote the social potentials. Therefore, any effort in the province shall be based on the three elements of planning

and in line with the promoting of social potentials. In the regional planning, partial and spatial types are appreciated. In the partial planning, constant development in the region is the main purpose and is specific to it. It is hypothesized that capital is the main motive for development. There is a famous theory concerning the attracting of capital [8].

A. The Theory of European Experience

This theory maintains that European changes are towards agricultural revolution and development. In the 16th and 17th centuries, there were some great changes and transitions in Europe that resulted in the increase of agricultural products. These were so prominent in technology and proprietorship. Using high technology in agricultural production and gardening led to the increase of production and consequently to the concentration of capital. Some portions of capitals were directed towards the industrial sector and the synchrony with the existing requirements and changes and the industrial revolution could help the European countries to move towards and improve commerce industrialization. These changes quickly went during the last two decades and the industrial change movement developed along with the service rendering sector where majority of the working people of these countries were employed in this sector and Europe could achieve the set goal, that is, the constant development.

B. The Theory of American Experience

This theory believes in concentrating on one or more sectors. The products are produced to be exported to the international markets where the sectors are strongly supported and strengthened. In the second phase, the domestic markets are supported and/or reinforced for the domestic use or consumption. Therefore, in the long run, the dependency on foreign markets is eliminated and the economy of the country booms. However, the two methods are at flaw. In the European experience, development is slow where historical patience and opportunities enjoy no place.

These countries are constantly looking for practical and crash solutions to achieve the constant development. In the American experience, too, the country will turn into a monopoly of only one specific product and will lose variety that is among the pre-requisites of economic flourish.

C. The Economic Basis Theory

This theory is employed in many countries and outperforms the two previous ones, and in reaching development, the following question is experienced; “What can be exported and what can be imported?”

1. The Basic Sector (Based on foreign demand)
2. The Non-basic Sector (Based on domestic demand)

The relation between the Basic and Non-basic Sectors is established via the following notation:

$$K = S/E \tag{1}$$

Where

S = the value of products, amount of production or employment of exportation services

E = the value of products, amount of production or employment of exported products

Therefore, the whole economy of exportation in an area is as follows:

$$Y = S + E \tag{2}$$

Y = Earnings from exportation

S = Exportation services

E = Exportation

As a result, by establishing the relationship between the Basic and Non-basic Sectors, the key to development is obtained. Therefore, in addition to the earnings from tourism (E), the earnings from the tourist services will enjoy an increasing quotient:

$$Y = (1 + K) E \tag{3}$$

If the Basic Sector can satisfy its domestic institutions or organizations, K will get larger. To find out the K quotient, two methods can be employed:

1. The Expert View previously explained
2. Identification through the LQ (Location Quotient)

To obtain the LQ, the value of products, the amount of production or the level of employment must be applied. Since the two terms of ‘amount’ and ‘value’ are less accessible than the three above, the level of employment is practiced. Therefore, if employment exceeds the national average, that part is basic.

$$K = \frac{\frac{R_i}{R}}{\frac{N_i}{N}} \tag{4}$$

Where

R_i = employment in the respective sector in the area,

R = the whole employment in the respective area,

N_i = employment in the respective sector in the entire

N = the whole employment in the whole country

The larger K is the higher the relative advantage in that sector that is considered a basic sector while supposing that the total average of the country is qualitatively a real average.

All in all, this analysis directly or indirectly emphasizes the reciprocal relationships existing inside an economy of an area and the development of motives and stimulations aroused in one or more sectors. This development essentially is the result of an increasing quotient. In the reciprocal effect of these forces, the development imposes a series of effects on other sectors, especially the main one.

This method has two groups of a technical and practical problems such as the selection of measurement, the how of identifying and distinguishing the basic criteria and services, the interrelationships of the criteria, the how of their effects and being-affected, the geographical limits, the theoretical problems such as the fundamental concepts and the increasing quotient of the area, and the problem of public balance. We assumed that none of these problems exist here.

Results and Discussions

According to the calculations (Table 1) of the level of provincial employment and the national employment, it can be observed that among the three sectors of agriculture, industry, and mining and services, the relative advantage is in the sector of industry and mining.

TABLE I. THE LEVEL OF EMPLOYMENT OF 10+ YEAR OLDS IN SISTAN AND BALOUCHISTAN PROVINCE

Sector	The level of employment of 10+ year olds in Sistan and Balouchistan province	The level of employment of 10+ year olds in Iran	K
Agriculture	17.9	21.1	0.84
Industry & Mining	41.3	31.9	1.3
Services	40.8	47	0.87

Source: Iran's Statistical Center, 2007 and the Calculations carried out.

By virtue of the discussion on employment of Sistan and Balouchistan rendered above, it is observed that the sectors of the industry and mining in practice enjoys the largest number of employees, and the agricultural sector has, however, repelled the job hunters during the past decade of development process.

Moreover, the serious problem of unemployment has been intensified by the villagers' immigration to the towns and cities whose comparison is shockingly confusing. Therefore, the LQ in the urban areas of the entire country seems more appropriate.

Based on the calculations carried out on the level of employment in the urban areas of the province of Sistan and Balouchistan being compared with that of the urban areas of the entire country, the relative advantage is of/with agricultural activities while this reasoning and conclusion can be completely confusing since the large number of urban-rural areas and the development of cities in the province and the completely distinctive urban and rural texture compared to that of the entire country have caused such a big doubt. Therefore, by considering Table 2, it is observed that the relative advantage in the cities is for/with the agricultural sector.

TABLE II. THE EMPLOYMENT LEVEL OF 10+ YEAR OLDS IN THE URBAN AREAS OF THE PROVINCE

Sector	The level of employment level of 10+ year olds in urban areas of Sistan and Balouchistan province	The level of employment of 10+ year olds in urban areas in Iran	K
Agriculture	5.6	5.3	1.05
Industry & Mining	31.3	34.1	0.91
Services	63.1	60.5	1.04

Source: Iran's Statistical Center, 2007 and the Calculations carried out.

By virtue of the discussions presented above, the following question must be replied: "Is the relative advantage of services in the urban areas of the province in the subdivisions related to tourism true and consistent?"

The investigation shows that in the urban areas, the subdivisions of public and private services, transportation, storing, education, sanitation and social work, whole-selling, retailing, vehicle repairs (garages), motorcycle parts and personal goods and household appliances all enjoy a high

relative advantage compared to other services rendered in the province that can all be of Basic Activities.

TABLE III. EMPLOYMENT IN THE SUBDIVISIONS OF SERVICES IN THE URBAN AREAS OF PROVINCE

Service Subdivisions	Employment in Urban areas in Sistan & Balouchistan Province	Employment in Urban areas in Iran	K
Whole Sale, Retailing, Vehicle Repairs, Motorcycle & Personal Goods and Household Apparatus	20.4	17.66	1.15
Hotels & Restaurants	0.4	0.8	0.5
Transportation & Storing	12.2	9.4	1.29
Financial Brokerage	1	1.64	0.6
Rent, Housing, Real Estate and Business	0.5	1.53	0.32
Public, Social, and Private Services	3.1	2.26	1.37
Public Affair Management and Social Security System	12.5	13.8	0.9
Education	11.5	10.1	1.13
Sanitation or Health Care and Social Work	3.9	3.2	1.2

Source: Iran's Statistical Center, 2007 and the Calculations carried out.

Therefore, it can be concluded that tourism in the urban areas does not enjoy a relative advantage. However, by appropriately employing the existing potentials in tourism, it can be one of the most important Basic Activities in the province. This gets more important when we see that there is a fundamental difference between/among the cities of the province concerning tourism. Thus, a few of the cities in the province such as Zahedan, Zabol, Iranshahr, Chabahar, Saravan and Khash enjoyed a relative advantage, and the other cities must look for other activities rather than tourism.

It appears that the development of tourism industry in the province and the increase of employees' share of the total employment of the province require a development simultaneous with the other sectors' activities such as rendering sector and industry.

Luckily, the grounds of activities that can result in the development of tourism have already been paved: Chabahar Free Trade Zone, Zabol and Mirjaveh Border Market, Pesa Bandar in Chabahar, Peeshin in Iranshahr, and some other multipurpose ports in Chabahar and Konarak are good examples of tourist attractions. They can highly experience and receive lots of tourists which in turn results in the generation of job opportunities in tourism. It is worth mentioning that most of the services in the coastal areas are for the domestic tourists. Other parts of employment in the

province concerning tourism are categorized under the 'Others' on unrelated activities. In general, tourism in Sistan and Balouchistan enjoys a relative advantage being identified within the 'Other' activities, and correct planning can attract the forces repelled from the agricultural sector.

IV. CONCLUSIONS AND SUGGESTIONS

The K quotient is indicative of a high relative advantage of sectors of industry and mining, but it seems that it is mostly due to inclination people have towards unregistered [false] occupations.

The highest value-added belongs to the sector of services which hits 66.28 % that is followed by agricultural and fishing, industry and mining, and construction activities. The high percentage of service sector is indicative of the fact that 'economy' in the province is at large service-oriented.

The investigating of costs and expenditures in the province shows that food consumption and smoking in both rural and urban areas are 34.6 and 51.35 % in 2001 where in 2005 there is a decline in their consumption costs plunging to 32.95 % and 42.83 % respectively and share of non-consumable goods (non-eating or inedible products) being 65.4 and 48.64 % in 2001 have soared up reaching 67.04 and 57.16 % in 2004 that is indicative of inflation in housing, transportation, clothing, etc. where families have had to deduce.

Moreover, the study of the average net income of urban and rural families shows that during the years 2001 and 2005 increased up to 99.8 and 141.35 % respectively, and the rate of provincial economic participation was 39.5 % in 2006 where the agricultural sector enjoyed 17.9, the industrial sector 41.3, and the services 40.7 %.

The age and sex structure of the youth of Sistan and Balouchistan is a factor having affected the unemployment. In the future, this will seriously cause the unemployment to increase, and majority of the unemployed will be the undergraduates and graduates. Therefore, to meet this essential problem in the province, the authorities most think of tourism and develop it.

Based on the Basic Economic Theory, tourism can create a high value-added in the province influencing other sectors generating a great capital. In other words, creating employment through tourism will surely help create employment in other sectors. Developing the industry of tourism by establishing special economic zones, border-

markets and multipurpose ports in the province will highly facilitate tourist establishments.

Therefore, the following measures appear essential:

- State's investments on infrastructures
- Attracting private capitals and private sectors' participation in investments
- Developing security for investments
- Passing new laws and regulations concerning tourism and amending the old ones
- Improving the existing old establishments and developing new ones
- Developing an organization with special duties and responsibilities to supervise the industry of tourism enjoying legal authorities
- Developing the grounds of handcraft in the province that is directly related to tourism to both generate employment and create sources of income

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