

# **The Role of Tourism Industry in the Economic Development of Iran**

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## **ABSTRACT**

The tourism industry is one of the important phenomena, economic resources, and an effective factor in the sociocultural and economic development of human societies. Today, it has become one of the leading industries in many developed countries even Middle Eastern ones. The purpose of the study was to examine the effects of tourism on different aspects of economic development to provide the necessary basis for making appropriate policy decisions. The method used in the study was descriptive-analytical method and data collection was done using library resources. In the economic dimension, tourism, in addition to positive effects on indicators such as employment and GDP, can be a good place to attract domestic and foreign investment.

## **Keywords**

Tourism Industry, Tourism Facilities, Economic Impacts, Income Increase, Iran

## **Introduction**

Nowadays, the tourism industry has a special status in the economic development of the countries such as developing countries so that it is currently one of the largest economic sectors in so many countries (Sarvar et al., 2014, p. 39).

Tourism has to be considered as one of the key industries of sustainable development in any society with high mobility in economic, political, social, urban and environmental changes. The focus on different aspects of the tourism industry, along local and national management planning of any community can have a key role in the international and national processes of that community. Urban tourism is one part of this developing and sustainable tourism industry, which is a relatively new subject whose history in scientific coteries is not more than two decades (Rampal, 2017, p.112).

The tourism industry is the fourth leading industry in the world following the automotive, construction and food industries. The share of this sector in the world gross domestic product (GDP) is more than sectors such as automobile and agriculture and its contribution to employment is more than the automotive industry. Figures like 10% of GDP (\$ 10 trillion), creating one job out of every \$ 11 trillion, 0.06% of world exports, international tourism growth of 1035 million, and projected tourist growth of 1.8 billion in 2030 reveals that the tourism industry has turned into one of the largest and most prosperous economic sectors in the world (World Tourism Organization, 2013). Considering the potential in the Iranian tourism industry, one can hope that with investment and planning in this industry, Iran can become a major tourism hub in the region. In the medium and long term, foreign exchange earnings from it would be an effective factor in the exit from the single-product economy (Momeni Vesalian and Gholmipour, 2011, p. 21).

Iran is considered as one of the most important tourism hubs in the world, which has a long history of civilization and culture, nature and various climatic conditions and other such factors, being located in a suitable position of tourist attractions in Asia and internationally. Nowadays, it has a key role in the spatial, cultural, social and economic structures, both positively and negatively by the movement of domestic and foreign tourists (Sharbatian, 2013, p. 102).

In today's machine world, the human needs rest and excursion more than before to neutralize the effects of stress as much as possible. Humans need to have some time to refresh their tired soul and spirit. One of the best approaches to meet this need is tourism. Based on the definition by the World Tourism Organization (UNWTO), a tourist is an individual who travels to a city or country other than his or her normal environment for at least 24 hours and a maximum of one year with the intention of travel, recreation, leisure, sports, visiting relatives and friends, missions, attending seminars, conferences or meetings, therapy, study and research or religious activities. Tourism in a modern context has a history that goes back to the Industrial Revolution. There have been numerous controversies over it

more and more from the beginning of the 21st century along with the information movement. Tourism has undergone strong growth and prosperity in the years since the Second World War, which relies on economic growth.

In the long run, the growth of leisure time and income level is accompanied by the development of technology, especially in transportation, during these years. As an economic activity, tourism is the objective crystallization of capital flows and human movement in a very large volume in the world with very high growth in the recent decades. Such a high volume of capital turnover in the world has turned tourism to one of the main pillars of the economy attracting the attention of planners and related experts in tourism activities and their economic consequences in the framework of the national and international economy. Not every region or country has the capability of tourism and they must have the necessary potentials and infrastructure to manage attracting tourists. Iran is one of the top eight countries in the world in terms of historical monuments, one of the top five countries in the world in terms of wildlife and natural monuments, and one of the top ten countries in terms of tourist attractions. Moreover, it is one of the safest countries in the region and the world for tourists. In other words, Iran is impeccable. However, this feature has not been used properly. The small value of income we have earned from tourism is proof of this claim. We can support natural treasures, historical, cultural and spiritual monuments if we have an economic view of the tourism industry. Tourism is an economic phenomenon, as any type of travel is accompanied by the ability to pay some money. Goods and on the other hand demand arise from advertising, fame and identity, historical background and so on. However, tourism has different social, cultural, political and security effects and consequences. Tourism is a category affecting all aspects of society and is the third most profitable industry in the world after oil and automotive industries that is projected to take second place. Thus, using tourism opportunities and creating new opportunities by building or completing its infrastructures such as accommodation and transportation centers, one can lead the country to economic and commercial development and prosperity. The industry with the ability to transform the country's economy is tourism. In fact, tourism economy is one of the approaches to reach a resistant economy. Many experts believe that paying attention to the development of the tourism industry will be very useful for economic prosperity and liberation from the declining single-product economy as well as the employment problem, which is the source of many other social developments. The existence of tourism is an investment whose real value is oil, which today handles the country's economy. This is because oil is one of the finite resources, whereas with the protection and proper use of this wealth (tourism), one can continuously use its positive effects like employment, income from foreign exchange, reducing the negative environmental and social effects. Additionally, given the investment needed in the tourism industry, which is much less than other economic sectors, and on the other hand, the inherent characteristics of this activity, one can take a fundamental step in distributing comparative advantages and expanding socio-economic justice in the country (Khadem, Kharashadizadeh, 2017, p. 322).

Nowadays, the expansion of public open spaces and the development of modern leisure and recreation centers have become one of the important goals of metropolitan management planners (Akbarzadeh, 2017 p. 54).

Not every region or country has the capability of tourism and they must have the necessary potentials and infrastructure to manage attracting tourists. Iran is one of the top eight countries in the world in terms of historical monuments, one of the top five countries in the world in terms of wildlife and natural monuments, and one of the top ten countries in terms of tourist attractions. Moreover, it is one of the safest countries in the region and the world for tourists. In other words, Iran is impeccable. However, this feature has not been used properly. The small value of income we have earned from tourism is proof of this claim. We can support natural treasures, historical, cultural and spiritual monuments if we have an economic view of the tourism industry. Tourism can be considered an economic phenomenon, as any type of travel is accompanied by the ability to pay some money. In this view, the supply of services and goods on the one hand and the demand (because of advertising, fame and identity, historical background and attractions) on the other exist in tourism. However, on the other hand, because of its complex nature and multifaceted effects and consequences, it has different social, cultural, political and security implications. The purpose of this study is to examine the impacts of tourism on different aspects of economic development to enable appropriate policy decisions in Iran. The method used in the study is descriptive-analytical method and the data collection method using library resources and reviewing resources.

## Method

The paper was carried out using descriptive-analytical method. The data collection method was library study including books, journals, papers and electronic resources.

## Literature review

In a paper entitled “Studying the role of tourism industry in economic development,” Khadem and Kharashadizadeh (2017) revealed that in the economic dimension, tourism can be a good place to attract domestic and foreign investment besides the positive effects on indices like employment and GDP.

In a paper entitled “Studying the relationship between tourism development and social capital in rural areas, Case study: Sulghan village (Tehran),” Akbarian Ronizi (2013) concluded a statistically significant direct relationship between tourism development and social capital.

Mehrabi Basharabadi et al. (2011) examined the role of tourism in the economy of Kerman and the physical development of its cities. The study used the data related to 471 tourist attractions of the province and the data-output table of the province in 2007 was used.

The physical development index was calculated using fuzzy logic and based on 12 socio-economic indices and the four components of economic development, infrastructure, society and culture of the cities of the province. According to the results, the tourism industry and its related sectors are considered as leading sectors in the province's economy in terms of establishing links with other economic sectors of the province, and thus the industry can prosper other sectors and the whole economy of the province through supply and demand channels.

Lithuania (2011) examined the relationship between tourism and economic growth during 1995-2008 for Portugal and its 20 neighboring countries using generalized method of moments (GMM) estimators. The results showed that tourism has a positive and significant effect on economic growth. Besides international studies, many domestic studies have been carried out to study the relationship between tourism and economic growth, some of which are about to be stated.

Jafari Samimi et al. (2011) examined the causal relationship between the tourism industry and economic growth using the vector autoregression panel model for developing countries in 1995-2009. The findings revealed that there is a positive mutual relationship between these two variables in the long run. In other words, while tourism leads to economic growth, economic growth and the level of development are considered key elements in attracting tourists.

Safdari et al. (2012) have examined the long-term relationship between tourism industry expenditures and economic growth for Iran during 1995-2008. The results of the study, based on the vector autoregression model, show that tourism expenditures have a positive effect on economic growth.

Kumar et al. (2015) used the ARDL approach to examine the share of tourism along with other effective drivers, including financial development and urbanization in Fiji's economic growth from 1981 to 2009. They figured out that for each worker's output, tourism increases by 1.11%, whereas financial development has the highest share in this increase of 0.71% per person in the long run.

Shahbaz et al. (2017) studied the relationship between financial development, tourism and trade for Malaysia from 1975 to 2013. They indicated that the mutual relationship between these three variables shows a positive interaction between them and increasing income and enhancing the status of key parts of the country through tourism.

Rampal (2017) has investigated the relationship between tourism, financial development and economic growth in India. His findings have indicated that tourism leads to economic growth and economic growth and tourism increases with the increase in financial development.

## Foundations and theoretical framework

Tourism sector is one of the most important economic sectors of countries with a significant share in economic growth and development. This sphere of activities not only causes private investment in the tourism sector, but also most governments have spent large amounts of their human and financial resources on this type of national income, tourism, which has a significant effect on the country's economic growth removing the country from economic dependence on one source of income (Lotfi, 2008, pp.172).

A review of the tourism planning literature indicates four major approaches to tourism planning so far: firstly, a growth-oriented view considering tourism as a tool for improving economic indices. Secondly, space physics, which considers and studies tourism as a spatial phenomenon and a resource used in space organization. Thirdly, it is the social view that considers tourism useful for the prosperity of the living conditions of societies, and fourth, the sustainable development approach, which examines and analyzes tourism as a powerful tool for implementing sustainable development policies as a new approach (Tavallayi et al., 2012, p. 105).

## **Tourism**

Tourism is defined from geographical and social aspects. The geographical aspect is spending leisure and recreation somewhere other than the place of residence. From a social perspective, the definition of tourism is the difference between the type of life of indigenous residents and non-residents or tourists. These two definitions show the distinction between various definitions of tourism, each of which is derived from the items considered in tourism studies. Some definitions have made attempts to consider the overlap of various factors in the description of the tourist, so that in his definition, Coltman considers distance and economic aspects. He considers tourism as a short-term journey that starts from a point and finally returns to the same point and visits various places and sights during the trip based on a special plan and leads to a large amount of currency brought by tourists in the host country. In another attempt, voluntary and temporary travel tourism, defined by the use of new perspectives and new experiences in a relatively long journey, is defined by aware experience and choice (Ahangaran et al., 2013, p. 11).

Among the other definitions of tourism, one can cite the technical definitions provided by UNWTO. Based on the distinction made in the approach to the place of visit, these definitions have been divided around tourism in various aspects, which are as follows:

Tourism involves the activity of people who travel outside their usual place of residence for leisure, work and other reasons and stay for a maximum of one whole year.

## **Tourism as an industry:**

Overall, tourism is defined as a “social phenomenon” with different economic, cultural, social and political functions, turning into an increasingly important “process” as well as an “industry”. In terms of indices in 2017, the automotive industry, which Pitter Drucker calls the locomotive of the world's industries, has overtaken and after the oil and petrochemical industry is ranked third in the world (Ebrahim Baysalami, 2018, p. 77).

Tourism is a process for expressing identity and knowledge of the guest and host societies, which has been crystallized as a “need” in modern society. Based on the “need for tourist”, a set of occasions and institutions have been shaped that have found an organized form in their most tangible aspects and the “tourism industry” represents them as part of the tourism phenomenon. Indeed, by producing a commodity called “tourism”, which is an economic concept, the tourism industry encompasses that part of the activities directly on the path of creating and expanding a more general process as a “tourism phenomenon”. Tourism now is considered as a great socio-economic power and a very political phenomenon. Tourism is called the spirit and essence of economic activities because of the delicacy of the party and hosting process, abled to be analyzed at a level beyond economic and social factors. It is called the spirit and essence of economic activities and given its focus on values and cultures, it is related to the complex and unknown layers of humans that have to be considered in proposing strategies, plans and management processes for this industry (Ebrahim Baysalami, 2018, p. 78).

The cross-sectoral and multidisciplinary nature of tourism has led to a kind of ambiguity in policy and decision-making for the development of this industry. In defining this phenomenon, informal and professional claims are so mingled that the experts always have the question of “What is tourism? And what is not tourism?” (Ebrahim Baysalami, 2018, p. 77).

## **Index of industrialization in tourism**

By stating the ambiguities in the definition of the tourism industry, in *Tourism and the Tourism System*, Lipper (1989) states that only specific organizations directly providing tourism goods and services to tourists are called

tourism industries. The ratio of goods and services produced in this industry to the total goods and services used by tourists specifies the “industrialization index”. Industrialization varies from one hundred percent (when all sectors of tourism are industrialized) to zero percent (when tourists spend money or want to spend, but there are no facilities for the tourism industry) (Ebrahim Baysalami, 2018, p. 78).

**Domestic (indigenous) tourism:** This refers to the people living in a country traveling for a maximum of 12 months to a place in their own country outside their normal living environment for a trip and not doing something ultimately leading to earning a salary from the visited place (Hataminejad et al., 2013, p. 162).

**International tourism:** This refers to the people traveling to a country that is not their usual place of residence and outside their normal living environment for a maximum of 12 months for visiting and not receiving a salary from the country visited. Overall, tourism can be defined according to different factors and used in its study in these definitions, but one has to consider that tourism is not just a one-dimensional phenomenon that can be discussed in linear definitions but involves many dimensions in different fields of tourism like economic, social, and cultural and the like. Moreover, other factors like the length of stay, means of travel, destinations, demand and so on have to be considered in the definition of tourism (Shahabian, 2011, p. 32).

## History of tourism

It seems that tourism is a new phenomenon in the history of human life, whereas this industry is rooted in the history of collective life and has existed since ancient times, various forms of globetrotting and tourism. From very long ago, people used to travel with the most basic equipment to buy, sightsee, and visit historical sites and large cities. They used to travel often in caravans and in groups. The Sumerians were perhaps the first people to make business trips. Voyages started in Egypt about five thousand years ago. The term “tourism” is derived from the word “tour” that means to travel, rooted in the Latin word “turns” meaning to go around, back and forth between origin and destination, which has spread from Greek to Spanish and French and finally to English. People from all over the world traveled to see masterpieces of art and learn new languages and cultures, or to become familiar with other countries' food. The terms “tourist” and “tourism” were first used by the League of Nations in 1937. Tourism refers to traveling abroad for more than 24 hours. The term tourist has been around since the 19th century. Then French aristocrats had to travel to complete their education and gain the necessary life experiences. These young people used to be called tourists at that time. Later in France, the term was used to describe those traveling to France for entertainment and leisure and was later generalized to those traveling for this purpose (Lotfi, 2008, p. 180).

The term “tourism” cannot have the full meaning of tourism as it means crossing political borders and traveling to other countries. This is because tourists are divided into two groups: foreign tourists and domestic ones with the tourist definition applied in foreign travels. While domestic tourists should be in the word wider than the word tourist and express the Persian term “tourist” should be included in the word tourist that is the word tourist (Shahabian, 2011, p. 122).

## Economic growth

UNWTO (2006) stated that the economic benefits and effects of tourism affect all sectors of the economy. Thus, besides paving the way for infrastructure development, generating revenue and employment for hosts, as well as providing tax revenues for the government are of great effects of this industry. Economic growth is disappointing in most developing countries with slow growth; the production is declining compared to comparable countries.

The process of economic growth could involve many advantages and benefits, and thus all economies have many differences from each other. As in developing countries, problems like high unemployment, limited foreign exchange resources, mono-product economy, low per capita income and low economic growth rates are evident, these countries are in need of economic growth to get rid of such problems and as the tourism industry is one of the most significant and lucrative industries in the world, it can play a significant role in realizing this goal. Thus, policymakers and planners of countries, especially developing countries, have to pay more attention to this industry as an economic development strategy (Samimi et al., 2012). Here, it is dealt with any of the economic effects of tourism like the effect of employment, national income, and so on.

## Tourism and economic growth

Tourism is a new process in the economy of countries that have been growing since 1950 and from the start of the 21st century in the national and international strategies of most countries in the growth and expansion of this because of the nature and functions of socio-economic and cultural society and other significant economic activities, which is why it has to be in the main strategy of the government and include joint projects with the participation of the private sector on a national and international scale (Ebrahim Baysalami, 2018). Colin Clark proposed this theory sixty years ago - the more the share of the service sector in the GDP and income of countries increases and the share of the agricultural and industrial sectors decreases, the more and better countries move towards development (Ebrahim Baysalami, 2018, p. 78).

Nowadays, tourism industry receives much more attention given the significant effects that it has on the economy, culture and society of tourist-receiving areas. The tourism industry is not only a step to strengthen cultures, but also a step towards economic and social development. Given its many tourist attractions, our country (Iran) can rely on a single-product economy by planning in line with this industry and get distant from the oil-based economy (Lotfi, 2008, p. 173).

According to several estimates, and UNWTO, which is affiliated with the United Nations, tourism is the world's largest industry and economic activity larger than the defense, industrial, oil and agricultural industries. This industry is the most extensive service industry and will certainly expand faster in the next century than in the past and now. Undoubtedly, in close competition, all countries in the world try to enjoy economic, social, cultural benefits, and so on, especially to receive a greater share of income and increase employment because of the optimization of this service industry in their respective countries (Lotfi, 2008, p. 173).

The only solution is to create higher value-added in supplier firms and their related taxes. Regarding this, two theories of accumulative factor (Heckscher-Ohlin theory) and absolute advantage can be used. The first theory assumes that the specialization of a country's international tourism is directly associated with the abundance of resources required to develop the supply of tourism products for what is in demand. Wells and Becherl divide these tourism resources into three distinct categories in terms of accumulation factors.

1. Natural resources, culture and cultural heritage
2. Human resources
3. Resources

Capital and Infrastructure of the second theory is the absolute advantage (technological advantage), an achievement of analysis

Adam Smith is from International Trade. This theory has a key role in international tourism. Wells and Becherl state: "Certain countries have tourism resources that can be exceptional natural sites or world-renowned art and architecture resources. Human resources can encourage tourists to visit a country, and their importance is determined by their uniqueness, which gives that country an exclusive or semi-exclusive status." The second comparative advantage is the tourism imports, which on average have lower imports than other economic sectors, which is because of the fact that tourists buy services that the local population can produce in large volumes. The fifth comparative advantage of tourism is the work-oriented nature of the tourism sector, which creates employment in different sectors, including services, accommodation, and so on. Nowadays, the significance of the tourism industry in creating positive economic effects throughout the world has become increasingly clear - governments in both developed and developing countries use tourism as one of the significant factors in creating employment (Mohamadi et al., 2010, p. 116). The growth of the international tourism industry in developing countries started after World War II. These countries considered tourism as a potential way to reach economic and human growth. In small countries with fewer capital resources, the tourism industry is a key element in development strategy and for larger countries, as an additional source of income and a way to develop less developed areas of such countries.

Tourism indirectly affects growth, since it shows a dynamic effect on the whole economy as overflow or other external effects. In other words, tourism can act as an engine of economic growth and lead to other economic activities related to that industry and to which it provides goods or services or consumes its product (Marin, 1992, p.678).

Economic growth is one of the quantitative indices of the economic progress of countries and the factors affecting it are of great significance. The index is affected by various elements like the capacity of the tourism industry like job creation, infrastructure development. The arrival of foreign tourists, increased demand for domestic goods, increased exports and the possibility of foreign investment are the main reasons to pay attention to economic growth. By understanding the superior position of this industry in different models of economic development, the economic growth of the country can be strengthened. Economic growth has long been considered by economists so that Adam Smith can be called a theorist of economic growth and the goal points like division of labor that will eventually lead to economic growth (Sharifiranani et al., 2010, p. 11).

### ❖ **Tourism and employment**

One of the major economic indices with a significant impact on reducing social harms is “employment”. Everyone is aware of the relationship between reducing unemployment and reducing the rate of various crimes. The effects of tourism in the labor market and employment are of the economic issues of tourism. Tourism services on a great scale directly need the employment of human force (Kargar, 2008, p. 11). This leads to the development of tourism in various places giving birth to employment opportunities. As an economically active sector, tourism can use the human factor more than other factors and increase employment levels. The approach to providing human resources for employment in the tourism economy needs attention to education, especially regarding the understanding and recognition of tourism and laying solid foundations for activity in this economic field. Using a specialized and trained force, it is possible to expand the scope of tourism activity and increase the employment rate in this economic activity and provide more employment opportunities to train human resources for tourism activities (Sharbati, 2015, p. 55).

### ❖ **Tourism and national income**

The growth and development of tourism over the last seventy years has been due to multiple factors, the most important of which are increased income levels, increased leisure time, advanced and developed means of transportation, massive and valuable geographical explorations, and ultimately the length of stay in the region or country that accepts tourists. These factors have led to the development of tourism and domestic tourism at the country level (Akbarian, 2013, p. 85).

In contrast to other economic sectors, the tourism industry is one of the providers of services, including travel and tourism services offices and other items of interest to tourists. The main providers of these services are active in the private sector and government agencies associated with try to deal with planning, development and management of tourism services (Kargar, 2008, p. 15).

### ❖ **Tourism and investment**

Tourism is a good sphere for investment given its job creation and relatively fast profitability, and the theorists consider tourism as the result of capitalism. Tourism is the most effective factor in attracting and moving capital, particularly stray capital and active in non-productive and non-profitable areas, which besides enhancing the profession and providing the necessary conditions for complementary investments in all sectors, particularly agriculture, sports, rural housing, intermediate and mountainous housing and is the strongest factor in the balanced economic, social and cultural development and, by creating new job opportunities, it leads to a relative adjustment of incomes (Samian and Belali, 2013, p. 163).

### ❖ **Tourism and exchange rates**

Nowadays, tourists are a significant source of foreign exchange for touristic countries. Accordingly, the increase in the price of the dollar will be the good news for tourism in Iran, and vice versa, the decrease in its price is disappointing news, as the artificial devaluation of the dollar is as a subsidy to the residents of Iran to travel abroad and thus the currency leaves the country and in return for heavy taxes from foreign tourists to enter Iran. The countries with strong economies like China and America by adopting a policy of lowering the exchange rate of 10 in the authorities support domestic tourism and their national services and products. Indeed, keeping the value of the

national currency lower against other currencies gives the domestic producers of goods and services a special competitive price advantage and opens the way for exports (Arbabian et al., 2013, p. 115)

### ❖ **Tourism and globalization**

Globalization is an inevitable process, meaning internationalization and the destruction of geographical borders. Nowadays, globalization is one of the clearest tendencies in the convergence of countries, whose key aspect is the economic dimension. The process of globalization generally affects technical, economic, cultural and political spheres. In the cultural field, this process is closely associated with the culture of tourism (Tavallayi et al., 2012, p. 103). The tourism and tourism economy have turned into one of the main pillars of the world trade economy so that the industry is known as sustainable development. Tourism refers to the journey in the world and the confrontation of cultures, thus one can state that tourism has a complete correlation with globalization and is directly related to it and affects it too. It creates profound economic, social, cultural and environmental effects on the lives of societies somehow associated with the process of globalization and leads to the direction of this process. As an economic and cultural activity, tourism tries to preserve the values, cultures, identities and economic development and promotion of nations and can provide the necessary grounds for creating the bedrock, the positive aspects of the globalization process by purposeful management of countries (Arbabian et al., 2013, p. 98).

In today's world, as a smoke-free industry, tourism is both a cause and a consequence in the process of globalization and a driving force in global development. Nowadays, tourism brings a lot of income to countries that have tourist attractions. Nowadays, various countries of the world, using natural resources, antiquities, ancient civilization or even new technology, tourist towns and recreational facilities, have become tourist hubs and every year people from various parts of the world are invited to sell goods and services to flood the flow of income to their country (Lotfi, 2008, p. 172).

### **Conclusion**

Reaching high and sustainable economic growth needs recognizing the factors affecting it. Among the different elements affecting the economic growth and development of the countries, tourism industry is of the factors whose expansion has led to significant success for some countries. Hence, the study examined the relationship between the tourism industry and economic growth in some developing countries using fixed effects estimators and systemic GMM. The results of the estimates show that tourism has a positive effect on the economic growth of developing countries and, thus, these countries not only through conventional sources of growth, including investment in material and human capital, and so on, but also through the development of the tourism industry could result in economic growth and development. This is because the tourism industry is known as one of the most important and lucrative industries in the world, especially in the 21st century, and is of the factors whose expansion has various environmental, cultural, social, political and economic effects on countries. Thus, it is necessary for policymakers and planners to focus more on this industry to increase economic growth and consider significant investments for this sector to develop it, and eliminate the obstacles to the development of this industry like infrastructural factors, welfare and culture as much as possible.

With its special features, the tourism industry is considered a dynamic industry with a bright future. Investment in this industry is on the increase in all countries with tourist attractions. Nowadays, attracting foreign tourists has become an increasing competition among institutions involved in the tourism industry.

Overall, besides the positive effects on indices like employment and GDP, the economic aspect of tourism can be a good place to attract domestic and foreign investment. However, these effects are not one-sided and some economic indices like the exchange rate have a significant effect on tourist attraction. Generally, the tourism industry can be significant as an inexhaustible resource for the country's economy and as a provider of civilization and culture. Special tourism, as the category of tourism has different approaches that from an economic point of view as already stated, it is a source of income and employment renewable in nature, and from a cultural point of view, introduces cultural identity and the history and culture of the country to the world. It developed the interactions and relations between humans and promotes intellectual and awareness-seeking information for the people of the society with a role in bringing humans closer.



Regarding the discussion of tourism and financial development on economic growth, suggestions can be made, as follows.

- As Iran is one of the single-product countries whose income relies on oil, it is possible to expand the tourism industry in Iran. It has taken the country out of being a single product and government revenues are increasing too. On the other hand, part of the revenues is spent on production and employment, which leads to economic growth.
- By training a specialized human force, one can tell the tourists about the culture of Iran and gain their trust and attract foreign investment and expand production and increase the country's economic growth with this investment.
- Developing a comprehensive tourism development plan.
- Efforts to attract foreign direct investment and create the necessary incentive for multinational companies to invest in different tourism sectors.
- Encouraging investment in the tourism sector by providing low-interest, long-term facilities and tax exemptions for the private sector to increase economic growth.
- The focus on the infrastructure and facilities needed for tourism development.
- Increasing the private sector's share of total credit, developing stock and bond markets, and using various advanced financial instruments.

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