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Studying South Korea's Experience in Developing Rural Tourism in Uzbekistan and Increasing Investment Potential

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Abstract: The article fully highlights the opportunities and stages of rural tourism development in Uzbekistan, as well as its components. On the basis of econometric analysis, the advantages of rural tourism development in the country, the possibilities of using foreign experience and ways to increase the investment potential of the region are highlighted.

Keywords: Rural Tourism, South Korean Model, Ecotourism, Ethnography, Service Sector, Infrastructure, Investment Resources, Investment Capacity Building

1. Introduction

Today, a number of decrees and resolutions have been adopted to increase the share of tourism in our economy, create new jobs, raise the living standards of the population, provide social protection for the employed population and constructively organize their recreation. The development of tourism is one of the most promising areas of economic recovery, having a stimulating effect on important sectors of the country's economy, such as trade, transportation, communications, agriculture, construction and the production of consumer goods. Since the beginning of the XXI century, the share of tourism in international trade in services is about 30%, it provides the largest income from exports [1]. According to the World Tourism Organization (UN Tourism), in 2019, the tourism industry accounted for 10.3% of world GDP, 7% of world exports, 27.4% of service exports, 9% of capital investment, consumer spending 11%, accounting for more than more than 5% of tax revenues, the tourism sector plays an important role in employment, and in the pre-pandemic period, 1 in 11 people employed in the economy worked in this sector [2]. However, the COVID-19 pandemic damaged the industry. Nevertheless, tourism is a highly profitable sphere of economic activity, and it acts as a catalyst for economic development in a number of countries and regions.

Literature Analysis

In explaining the concept of rural tourism we see the diversity of foreign authors and international organizations. The International Tourism Organization has given the following definition of rural tourism: Rural tourism is a segment of the tourism market, which is characterized by recreational activities in nature in attractive rural areas and protected areas. This segment includes a range of activities from scientific tourism to wildlife watching, photography, entertainment (fishing and hunting), and sports and adventure tourism [3]. According to a special report of the International Tourism Organization in Madrid (2001), nature (rural) tourism in Germany is considered as a

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segment of the tourism market whose main characteristic is recreation in attractive rural areas and natural protected areas. This segment covers a wide range of activities from wildlife photography to hunting, fishing, sports and adventure tourism [4].

Table 1. Definitions of the term “Rural tourism”.

No	Authors	Definitions given
1	A.S.Kuskov, Yu.A.Djaladyan	“Rural tourism is a vacation of city dwellers in a guest house created by a village family on the basis of their own residence and private farmstead, as well as on the land plot allocated for farming. The village family provides accommodation, meals and acquaintance with the sights of the village [5]”.
2	L.V.Yefrimov	“Rural tourism is tourism in areas of low population density, outside the city limits[6]”.
3	A.P.Ioshenko	“Rural tourism is life in a rural home, which includes various services for tourists. Ecotours, adventure travel and participation in rural life[7]”.
4	A.B.Zdorov	“Rural tourism is the organization of trips to rural areas without harming the ecosystem and ethno-cultural complexes. In doing so, tourism directly serves the economic development of rural people and the search for solutions to their problems [8]”.
4	French sociologist and economist F. Moan	“Rural tourism is a special form of tourist vacation in rural areas, associated with the active participation of tourists not only in rural life, but also in agricultural production [9]”
5	Ye. Vanda Jorj, X. Mair, D.G.Reyd	“All activities localized among the main activities of tourists in rural areas outside the city are rural tourism[10]”
6	A.D. Chudnovskiy and M.A.Jukova	“The type of activities involved in organizing targeted trips to rural areas involves the formation and presentation of tourism products (accommodation, food, attractions, recreation) for tourists that emphasize the natural and national identity of the regions. Rural tourism is similar to ecotourism, which reflects, creates jobs and income for local people, and generates economic benefits.[11]

As we noted in Table 1 above, that is, in the definitions given to the phrase “Rural tourism”. Currently, rural tourism is recognized as one of the most popular types of tourism in developed foreign countries. In modern international practice, rural tourism is often combined with other types of tourism, including ecotourism.

Currently, the geography of rural tourism is expanding significantly in France, Italy, Central Europe, the Balkan Peninsula, Germany, the UK, the USA and Canada. Also rural tourism has a positive impact on the inner world of tourists. Because the tourist has a feeling as if he came to visit the owner of the guest house [12]. There are no hired workers

here, food is prepared at home by the hostesses of the guest house. The main means of accommodation in rural tourism is the guest house, which "is a small, often family-run, service of short-term accommodation, catering, excursion programs, meaningful organization of guests' free time and other additional services [13]".

In the course of our research, we studied the works of our Uzbek economists together with researchers from foreign countries and the CIS countries listed in the table "Definitions of the term "Rural tourism". For example, economist E.V. Golysheva in her textbook "Rural Tourism: Equestrian Theory and Practice" defined rural tourism as follows: "Rural tourism (agrotourism, green tourism, ecotourism) is the activity of city dwellers (both local and foreign) for the purpose of travel from the main place of residence to the countryside and / or participation in agricultural work, but activities that do not generate income at the place of temporary residence, aimed at the use of natural, cultural, historical and other resources of rural areas, as well as the creation of a special tourism sector of the tourist product [14]", - he defined.

2. Materials and Methods

In order to achieve the main objective, this article includes the analysis of the opinions and views of the scholars, as every scientific research, using methods such as scientific-descriptive analysis, comparative analysis, systematic approach and statistical analysis.

3. Results and Discussion

In the decree of the President of the Republic of Uzbekistan from April 26, 2023 № PQ-135 "On additional measures to accelerate the development of tourism potential of the Republic and further increase the number of local and foreign tourists"[15] improvement of infrastructure to obtain the status of a tourist village on the territory of the city of Angren, MFZ "Lashkarak" and "Yangiabad" in paragraph 53 of the road map. It was noted that a "tourist settlement" has been established on the territory of MFP "Chashma", Parkent district, So'kok village on Archazor, Sokoksoy and Koshtut streets based on Korean experience. Therefore, let us analyze the development path of South Korean villages belonging to the Asian model of rural tourism organization.

Today, South Korea amazes the world not only with its ultra-modern cities and developed economy, but also with its historical attractions. Historic buildings and other relics preserved in this country since the Middle Ages include the Gyeongbokgung Museum, Changdeokgung Palace, Korean Folk Village and Namsangol Hanok Village, among others.

A few years ago, Gamcheon Village, located near Busan City, also quickly gained popularity among local and foreign tourists, and tourists began flocking to see the village and spend the night there.

Gamcheon lived for many years as a ruined part of South Korea, which achieved high development, and prosperous Busan, where skyscrapers are built. The settlement was undeveloped, the living conditions of its residents were hard, and the infrastructure was the same, but by the end of the 2000s, the situation would suddenly change. This is due to the Busan city administration's decision to improve the appearance of the houses located in Kamcheon and keep the village in pristine condition. In 2009, the villagers took the initiative and presented a project to the city administration to turn Gamcheon into a "Cultural Village." The Busan City Administration and the Ministry of Culture of the country are not indifferent to the project. The administration and the Ministry decide to allocate a significant amount of funds for the project.

With the allocated funds, the facade of all houses in the village will be painted in different colors, guest houses, restaurants will be built, and roads will be repaired. The villagers first started by opening guest houses, and later, representatives of Korean artisans

in Gamcheon established their own workshops and small businesses and managed to improve their financial situation.

After that, Kamcheon became one of the important destinations for not only local but also foreign tourists coming to South Korea. The name of the village in English was called Gamcheon Culture Village and it was included in the destinations of most travel companies around the world. South Koreans realized the Gamcheon project and proved to the world that it is possible to keep ruined villages in pristine condition and turn them into an interesting place for tourists [16].

With the number of visitors increasing every year, Gamchang has become a popular destination, and the tourist village is expected to receive 2.8 million visitors in 2023.

In order to increase the flow of tourists visiting Tashkent region, create favorable conditions for them and increase the income of local residents, it is necessary to create the necessary infrastructure based on foreign experience in the districts of Bostonlik, Ohangaron, Parkent, Boka, Chinos, Zangiota and the city of Angren.

For example, in Bostonlik district there is a free tourist zone "Chorvok", Ugam-Chotkal National Park, reservoir "Chorvok", there is an opportunity to develop in the district all directions of tourism, temples, places of agro-tourism, delicious restaurants; Zangiota district, which is an object of pilgrimage tourism, has craft centers, shopping complexes; Ohangaron district has historical settlements, objects of cultural heritage, rich objects of industrial tourism; Boka district has unique tourist objects; Chinaz district is located on the main road, the city of Angren is known as an industrial city, Yangiabad and Lashkarak districts have a beautiful nature, there are roadside restaurants serving tourists Angren city is known as an industrial city; Yangiabad and Lashkarak districts have beautiful nature, there are roadside restaurants serving tourists.

It should be noted that this experiment will cover the districts of Bostonlik, Parkent, Zangiota, Ohangaron, Boka, Chinoz and Angren city, which have high tourism potential, and in the future, it is advisable to apply it to other regions of the region.

According to official data, 3 billion 741.9 billion soums or 25.8 percent of total capital investments were financed by foreign investments and credits in January-June 2022 (Table 2).

Table 2. Volume of investment resources of Uzbekistan in 2022-2024.

Year	Total value of investment projects	Including the cost of direct investments	Commentary
2022	16.57 billion USD	6 billion USD	more attention is paid to geology, energy and industry
2023	17.34 billion USD	7.06 billion USD	more attention is paid to geology, energy and industry
2024	18.2 billion USD	7.73 billion USD	

Source: Author's elaboration based on information from the Agency for Attracting Foreign Investments under the Ministry of Investment and Foreign Trade.

It is known that in the first half of 2022, the volume of foreign investments in the region amounted to 1912.8 billion soums, and its share in the total volume of foreign investments and loans amounted to 51.1 percent. The volume of foreign loans reached 1829.1 billion soums, and its share in the total volume of foreign investments and loans

amounted to 48.9 percent [17]. In recent years, the growth of attracted funds in the structure of investments in fixed capital has been observed.

As for the composition of attracted investment resources of Tashkent region, in the following years there was a significant tendency of growth of foreign investments and credits and decrease in the share of state funds.

Econometric analysis

In order to determine the impact of investment potential on the indicators of socio-economic development of the region, an econometric analysis of Tashkent region was conducted, see Table 3.

Table 3. Definition of variables.

Designation	Factors
y	GDP per capita
x1	Investments in fixed capital per capita, thousand soums
x2	Employment rate, %
x3	Total income per capita, thousand soums
x4	The number of newly established enterprises and organizations
x5	Production of consumer goods, billion soums
x6	Number of crimes

The study is based on dynamic series for the period from 2012 to 2022. A total of six factors were included in the model, the total number of observations is 77 [18].

As the correlation analysis shows, there is a functional relationship between total income per capita of the region and GDP per capita, as well as the volume of production of consumer goods, amounting to x3 and x5, which is a reason to exclude the variables from the model. We study the degree of stochastic correlation between the remaining variables. For this purpose, we create a correlation matrix, see Table 4.

Table 4. Correlation matrix

	GDP per capita	Investments in fixed capital per capita	Employment rate	The number of newly established enterprises and organizations	Number of crimes
GDP per capita	1,00				
Investments in fixed capital per capita	0,99	1,00			
Employment rate	-0,25	-0,31	1,00		
The number of newly established enterprises and organizations	0,83	0,88	-0,58	1,00	
Number of crimes	-0,11	-0,14	0,43	-0,45	1,00

According to the calculations presented in the correlation matrix, the most direct influence is exerted by the volume of investment in fixed capital per capita in the region ($r=0.99$), as well as the number of newly established enterprises and organizations ($r=0.83$). The correlation coefficients showed an insignificant inverse relationship between GDP per capita and the level of employment ($r=-0.25$), in particular, the number of crimes registered in the region ($r=-0.11$).

Carrying out descriptive statistics based on the ADF test allowed us to conclude that the series Y is stationary by the first difference, since we have to reject the hypothesis of the existence of a unit root with a probability of $p=0.002$.

Let us create a multivariate linear regression model in which the dependent variable is the volume of GNI per capita in Tashkent region, see Table 4.

The coefficient of determination is $R\text{-squared} = 0.89$, which means that 89% of the variation of the dependent variable is due to the four explanatory variables included in the model, and only about 11% is due to the influence of random or unaccounted factors. in the model. According to the Fisher-Snedekor criterion, the model can be recognized as adequate. Comparing the calculated t-statistics of the equation coefficients with the value in the table, we concluded that the coefficients of the regression equation are statistically most significant for the variables x1 and x4. The approximation error of the constructed model is only 2.81 percent. All the above allows us to characterize the model as correct.

According to the data obtained by the method of least squares in Table 5, the resulting multifactor model will have the following form:

Table 5. Multivariate regression model.

	Coefficients	Standard error	t-statistics	P-value
Y-intersection	1550,92	17065,18	0,09	0,93
x1	3,00	0,29	10,28	0,00
x2	2,69	214,61	0,32	0,76
x4	0,63	0,45	-1,39	0,21
x6	-0,20	0,28	-0,73	0,49

The coefficients of the equation show the quantitative influence of each factor on the efficiency indicator (all others remain constant). In our case, the volume of GDP per capita in Tashkent region:

- when the volume of investment in fixed capital per capita increases by 1 unit, it increases by 3.00 units (the other coefficients remain constant);
- if the level of employment in the region increases by 1 unit, it increases by 2.69 units (other factors remain unchanged);
- if the number of newly established enterprises and organisations in the region increases by 1 it increases by 0.63 units (other factors remain unchanged);
- if the crime rate in the region decreases by 1, it increases by 0.20 units (other factors remain unchanged).

The main reason why we present the analysis of European and Asian countries' models of rural tourism development is that many countries in the world are currently implementing the models of rural tourism development explained by us above. As the world practice shows, increasing the investment potential of the region is the most important factor in increasing employment, entrepreneurial activity and sustainable development of the region, is one of the important components of national development, and therefore is a priority goal of public policy in any country.

4. Conclusion

So, based on our analysis we came to the following important conclusions: firstly, rural tourism is a type of tourism that implies recreation in rural areas, interacting with natural areas and traditional culture;

Secondly, accommodation facilities in rural tourism are: guest houses that have preserved ethno-cultural features, hostels, private houses in farm or peasant households, small hotels that have preserved the unique architecture of the region. Rural tourism leads

to economic growth of the region by creating new jobs for local residents and providing income-generating services;

Thirdly, rural tourism minimises negative impacts on nature and the environment and reaps economic benefits;

Fourthly, we need to carefully analyse European and Asian models of rural tourism development in our country, explore the possibilities of using these models in our villages and develop a strategy for rural tourism development.

Fifth, the largest increase in the volume of gross regional product per capita is provided by the volume of investment in fixed capital per capita in the region, which indicates the importance of the growth of investment potential of the region and for the socio-economic development of the region. region, foreign and domestic, confirms the need to develop and take practical measures to attract investment resources.

Based on the research conducted, the main policy objective should be to develop a state programme to expand sources of financing, simplify the economic activities of enterprises with foreign investment, and provide a system of measures to introduce innovations. The realisation of strategic goals related to the increase of investment potential will lead to economic growth of the region, reduction of crime and unemployment, and, finally, will allow to achieve the most important goals aimed at sustainable development of the region. country.

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