

ASSESSMENT OF 'INSTITUTIONAL THICKNESS' WITHIN THE CONTEXT OF  
TOURISM-LED LOCAL ECONOMIC DEVELOPMENT:  
THE CASE OF BEYPAZARI

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THE CASE OF BEYPAZARI

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## **ABSTRACT**

### **ASSESSMENT OF ‘INSTITUTIONAL THICKNESS’ WITHIN THE CONTEXT OF TOURISM-LED LOCAL ECONOMIC DEVELOPMENT THE CASE OF BEYPAZARI**

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M.S., City and Regional Planning in Regional Planning  
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It is a widely accepted fact that tourism has become a prominent part of local economic development regarding to global economic restructuring and over the last two decades many regions have achieved tourism-led local economic development. The concept of ‘Institutional Thickness’ which has been introduced within the context of institutional turn in economic geography and discussed intensively in local economic development context has important implications for tourism-led local economic development. The concept describes how institutional arrangements influence the capacity of localities to compete globally and emphasizes the importance of strong local institutional base and inter-institutional collaboration in local economic development.

This thesis discusses tourism-led local economic development and the concept of institutional thickness and investigates how the concept relates to tourism-led local economic development. It aims to make an empirical assessment of institutional thickness. Using case study as a research method, the research focuses on Beypazarı district that achieved domestic tourism development involving day excursions from the major metropolitan areas and trying to improve its local economy through tourism. In this locally initiated project, the local government collaborated with many institutions. The thesis assesses institutional thickness of Beypazarı within its local economic development process.

Keywords: Tourism, local economic development, institutional thickness

## ÖZ

### TURİZM ODAKLI YEREL EKONOMİK KALKINMA KAPSAMINDA ‘KURUMSAL SAĞLAMLIĞIN’ DEĞERLENDİRİLMESİ: BEYPAZARI ÖRNEĞİ

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Turizm, küresel ekonomik yeniden yapılanmaya bağlı olarak yerel ekonomik kalkınmanın önemli bir parçası olmaya başlamış ve son yıllarda birçok bölge turizm odaklı yerel ekonomik kalkınma kaydetmiştir. Kurumsallaşma kapsamında ortaya atılan ve yerel ekonomik kalkınma çerçevesinde yoğun olarak tartışılan kurumsal sağlamlık kavramı, turizm odaklı yerel ekonomik kalkınma sürecinde önemli rol oynamaktadır. Kurumsal yapılanmaların yerelin küresel olarak rekabet edebilirliğini nasıl etkilediği bağlamında önemli ipuçları taşıyan kavram, güçlü bir yerel kurumsal yapı ve kurumlar arası işbirliğinin yerel ekonomik kalkınmadaki rolünü vurgulamaktadır.

Bu tez, turizm odaklı yerel ekonomik kalkınma ve kurumsal sağlamlık kavramını tartışmakta ve kurumsal sağlamlığı turizm odaklı yerel ekonomik kalkınma kapsamında alan çalışması araştırma yöntemini kullanarak değerlendirmektedir. Araştırma son yıllarda metropollerden gelen günübirlik ziyaretçiler ile dikkate değer bir turizm gelişimi göstererek yerel ekonomisini bu yolla geliştirmeye çalışan Beypazarı ilçesinde yoğunlaşmaktadır. Bu gelişim, yerel yönetimin birçok kurum ile işbirliği sağlayarak başlattığı bir girişim sonucu oluşmuştur. Bu kapsamda tez, bölgenin yerel ekonomik kalkınma süreci kapsamında kurumsal sağlamlığını araştırmaktadır.

Anahtar Kelimeler: Turizm, yerel ekonomik kalkınma, ‘kurumsal sağlamlık’

To My Family....

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## TABLE OF CONTENTS

ABSTRACT.....	iv
ÖZ .....	v
DEDICATION.....	vi
ACKNOWLEDGMENTS.....	vii
TABLE OF CONTENTS.....	viii
LIST OF TABLES .....	x
LIST OF FIGURES.....	xi
LIST OF ABBREVIATIONS .....	xii
CHAPTER	
1. INTRODUCTION .....	1
2. TOURISM-LED LOCAL ECONOMIC DEVELOPMENT .....	7
2.1. Main Features, Policies and Impacts of Tourism.....	7
2.1.1. The Concept of Tourism.....	7
2.1.2. Economic, Social and Ecological Impacts of Tourism .....	8
2.1.3 Tourism in the Global Framework.....	13
2.2. Tourism-Led Local Economic Development (LED).....	15
2.2.1. Tourism-Led LED.....	15
2.2.2. International Experiences of Tourism-Led LED.....	19
2.2.3. Success Factors in Tourism-Led LED.....	21
3. ‘INSTITUTIONAL THICKNESS’ CONCEPT .....	29
3.1. ‘Institutional Thickness’ Concept .....	29
3.1.1. The Global Economy and Competitive Advantage.....	29
3.1.2. Institutional Turn and the New Institutionalism in Economic Geography .....	31
3.1.3. Institutional Thickness and its Four Constitutive Features .....	35
3.2. ‘Institutional Thickness’ and Tourism-Led LED.....	39



4. CASE STUDY: ASSESSMENT OF TOURISM-LED LOCAL ECONOMIC DEVELOPMENT PROCESS AND INSTITUTIONAL THICKNESS IN BEYPAZARI .....	43
4.1. Research methodology .....	43
4.2. Local Characteristics and Potentials of Beypazarı .....	45
3.2.1 Spatial Features .....	45
3.2.2. Historical Evaluation .....	47
3.2.3. Economic Features .....	48
3.2.4. Social and Demographic Features .....	52
3.2.5 Local potentials of Beypazarı for Tourism Development .....	54
4.3. Tourism-Led LED Process in Beypazarı .... ..	63
4.3.1. Initiatives for LED.....	63
4.3.2. Effects of the Initiatives .....	68
4.4 The Assessment of ‘Institutional Thickness’ in Beypazarı .....	72
4.4.1. The Assessment of ‘Institutional Presence’ .....	72
4.4.2. The Assessment of ‘Interactions between Institutions’ .....	76
4.4.3. The Assessment of ‘Power Structure of Institutions’ .....	82
4.4.4. The Assessment of ‘A Common Local Agenda’ .....	83
4.5. General Evaluation of Case Study .....	85
5. CONCLUSION .....	89
REFERENCES .....	98
APPENDIX A: INTERVIEW QUESTIONS.....	108

## LIST OF TABLES

### TABLES

Table 2.1. Positive and Negative Dimensions of The Impacts Of Tourism .....	11
Table 3.1. Terminology of Institutionalism.....	33
Table 3.2. Constitutive Elements of The Institutional Thickness .....	36
Table 4.1. Distribution of Local Industry .....	49
Table 4.2. Tourism Establishments in Beypazarı .....	51
Table 4.3. Vocational Institutions in Beypazarı .....	52
Table 4.4. Institutions involved in LED process in Beypazarı .....	74
Table 4.5 Interactions between Institutions .....	77

## LIST OF FIGURES

### FIGURES

Figure 4.1. Location of Beypazarı District .....	45
Figure 4.2. Residential Buildings of Beypazarı District .....	46
Figure 4.3. Population in 1990 and 2000 .....	53
Figure 4.4. Distribution of occupation .....	53
Figure 4.5. Historical pattern of Beypazarı .....	55
Figure 4.6. Historical Buildings in Beypazarı .....	56
Figure 4.7. Traditional houses of Beypazarı .....	58
Figure 4.8. Traditional handcrafts .....	60
Figure 4.9. Traditional local foods .....	61
Figure 4.10. Natural values in Beypazarı .....	62
Figure 4.11. Stages for restoration process .....	65
Figure 4.12. The restored houses (before restoration and after restoration).....	66
Figure 4.13. The number of visitors by the years1999 and 2005 .....	69
Figure 4.14. The number of tourism establishments by the years1999 and 2006 ....	69
Figure 4.15. The number of silver establishments in the years 1999 and 2006 .....	70
Figure 4.16. The number of jewelry shops in the years 1999 and 2006 .....	71

## LIST OF ABBREVIATIONS

ADMCTB: Association of the Development and Maintaining of Culture and Tourism in Beypazarı (*Beypazarı K lt r n  ve Turizmini Geliřtirme Yařatma Derneęi*)

FPPECH: The Foundation for the Promotion and Protection of the Environment and Cultural Heritage (* evre ve K lt r Deęerlerini Koruma ve Tanıtma Vakfı- EK L*)

LED: Local Economic Development

SEDC: Small Enterprises Development Center

SME: Small and Medium Size Enterprises

SMIDO: Small and Medium Size Industry Development Organisation (*K   k ve Orta  l ekli Sanayi Geliřtirme ve Destekleme İdaresi Bařkanlıęı- KOSGEB*)

UHT : Union of Historical Towns (*Tarihi Kentler Birlięi*)

## **CHAPTER 1**

### **INTRODUCTION**

Over the past two decades considerable research has been carried out concerning the dynamics and implementation of local economic development (LED). LED is defined as a process 'in which partnerships are established between local governments, the private sector and community based groups in order to manage existing resources for job creation as well as the stimulation of local economies' (World Bank, 2003). It can be regarded as the main objective of it is the improvement of economic development conditions and increasing life standards.

LED models have changed due to political and economic conditions of the world. During the 1980s and 1990s many urban economies have been dramatically transformed with the decline of traditional manufacturing centres and the growth of new service-based activities (Harvey, 1989 cited in Rogerson, 1997). Tourism as a service sector, was seen as a catalyst for local economies in terms of job creation and enterprise development and a window of opportunity for the renewal of many urban economies that were in decline.

It can be asserted that new local economic growth model has given a fresh impetus to the concept of local development initiative, by incorporating tourism development objectives (Oztin, Saleem, 2004). Tourism has become a more prominent part of local economic development. The growing economic role of tourism has made it a social and political issue, and tourism has been increasingly used as a medium for many socio-cultural and economic goals on the regional and local level.

On the other hand, with the rise of globalization, nation-state has been weakening and losing its capacity to promote the well being of its citizens. In context of this contemporary global economic restructuring the role of local actors, in achieving

social and economic development which is traditionally dominated by national government, has increased (Rogerson, 1997).

With the decline of the nation-state, the region or locality emerges as the relevant economic space “in and for which coordinated efforts to promote wealth-creating economic activities can be meaningfully undertaken” (Cooke, 1995:1, cited in Rogerson, 1997). The region, has been seen to be an extremely important component in the global-local context of development.(Amin & Thrift,1994).

In response to these changes, in recent years local and regional public organisations have been increasingly involved in the design and implementation of economic development policies. As a result, a *local-global* duality has emerged the two opposing and yet complementary processes have led to what might be defined as local thinking in a global economy or - equally - global thinking in local economies.(Sassen, S, 2001)

In this context, localities have had to identify the economic opportunities offered by new global market and adapt to changing circumstances by making themselves more competitive. In global economic restructuring it can be asserted that the major impact at the scale of local economies is the necessity to foster international and local competition. *Competitiveness* became an important factor in achieving economic development and a fundamental question emerged ‘How local areas can compete?’

In order to answer this question, economic geographers started to investigate the other factors in achieving economic development a region, except resource availabilities and advantageous physical assets (Raco, 1999). They started to emphasize the social context of economic life and the dynamic evolutionary nature of economic growth and researched how social and institutional conditions shape regional development prospects. They stressed the importance of the institutional histories of areas and of the relationships between the firms and organizations within them.

This was the beginning of 'institutional turn' in economic geography. To institutionalists, contacts, networks, and flows between institutions can create powerful nodes of local governance and economic growth (Amin & Thrift, 1995). Factors such as trust, reciprocity, and cooperation have a key role in successful regional development in terms of competitiveness.

In these conditions, in order to understand how global-local interactions are locked together at the institutional level, Amin and Thrift (1994) introduced the concept of 'institutional thicknesses. It emphasized the importance of local social and cultural relations in the development of regional economies and the importance of institutions for local economic development. It did this by attempting a synthesis of existing arguments concerned with institutions and development, and proposed a taxonomy of relevant institutional factors that was measurable and verifiable.

Amin and Thrift (1994) defined 4 non-economic factors for as constitutive elements of institutional thickness. They are; strong institutional presence, which refers to the range of institutions within a specified area organizing a variety of practices; high levels of mutual interaction referring networking and interaction between institutions, which includes the form and regularity of contacts; structures of power, domination and control, which help to ensure coalition building and collective representation; and a common agenda to develop upon, in order to establish effective networks.

More than 10 years after its introduction, it is clear that the theoretical concept of institutional thickness can still provide relevant insights concerning LED. Therefore, it is important to make an empirical assessment of institutional thickness in order to understand the role of institutions in LED process.

This thesis aims to investigate institutional thickness on Beypazari case which achieved tourism-led local economic development. It tries to analyze the local economic development process of Beypazari and make an empirical assessment of institutional thickness within this process.

Beypazarı is a historic district of Ankara with Ottoman heritage, that have achieved domestic tourism development involving day excursions from the major metropolitan areas and trying to improve its local economy through tourism. It has lived rapid changes in its economy since 1999 in which it had initiated a community partnership to restore the traditional houses.

In this locally initiated project, the local government collaborated with many institutions and achieved a unique local partnership for the restoration of timber houses. In a years time, this initiatives of local authority started to be of use and weekend visitors from major cities, particularly from Ankara have started to come Beypazarı. The rate of unemployment has decreased to a great degree, women labor force has increased significantly.

In the scope of this thesis, tourism-led local economic development with reference to international experiences is discussed and institutional thickness with its four constitutive elements is investigated. The tourism-led LED and *Institutional Thickness* concept is used as a theoretical framework of reference and as an organizing concept for an empirical investigation of institutional thickness. Using case study as a research method, it investigates local economic process in Beypazarı region in terms of institutional thickness by assessing four constitutive elements of the concept in the region.

The analysis is based on a case study method and qualitative research. The research uses quantitative and qualitative data which are based on the two major sources of evidence. The first source of evidence is of this research is interviews with a number of institutions involved in LED process of Beypazarı. Interviews have been conducted with representative of institutions such as municipality, local chamber of commerce, district governance, development unions, non-governmental organizations, central government and universities in Beypazarı.

The questions that will be asked during the interview were determined and derived from the issues related to ‘institutional thicknesses discussed in the theoretical



chapter. The interviews were semi-structured and were including open-ended questions.

The information collected with interviews has been completed with the second source of data. This source of evidence includes documents which constitute census data, written reports, books, articles, researches and statistical information taken from Beypazarı Municipality, Beypazarı Chamber of Commerce, Beypazarı Chamber of Arts and Crafts, and Turkish Statistical Institute. The further details about the research method of this study are given in Chapter 4.

This research consists of five chapters. Second chapter defines tourism-led LED, discusses the relationship with tourism and local economy, analyses international experiences and explains key dynamics in tourism-led LED process. ‘Institutional thickness’ is listed as a one of these key dynamics in this chapter.

Third chapter, focuses on the institutional thickness concept within the context of global economy, institutional turn and the new institutionalism in economic geography. It analyzes the four constitutive elements of institutional thickness and finally discusses the relation between institutional thickness and tourism-led LED.

Four chapter concentrates on the assessment of tourism-led local economic development process and institutional thickness in Beypazarı. First, identifies the research method which is employed in the research area. Second, it examines the local characteristics of Beypazarı including its spatial, economic, social and demographic features and lists local potentials of for tourism development. Fourth, it examines tourism-led LED process in Beypazarı as analyzing initiatives for LED and effects of these initiatives. Lastly and the most significant, it assesses institutional thickness within the respect of this local development process. Institutional thickness in Beypazarı is assessed through four elements of it. Firstly, institutional presence; secondly, interactions of institutions; thirdly power dimension in the institutional relationships; and fourthly development of a common local agenda is analyzed. Finally, it evaluates the whole chapter generally.

Five chapter concludes the thesis. It provides an overview of the research by summarizing the initial focus of the research, the research problem and research methodology. Second, it summarizes the main findings of the research. At the end, it makes recommendations for future tourism-led LED processes in terms of institutional thickness.

## **CHAPTER 2**

### **TOURISM-LED LOCAL ECONOMIC DEVELOPMENT**

This chapter consists of two parts. First part gives a brief summary of the tourism including its social, economic and social impacts and, discusses tourism in the global-local context. Second chapter focuses on tourism-led LED and examines the relation between tourism and local economy. Key dynamics in tourism-led LED process is also discussed with reference to international experiences

#### **2.1. Main Features, Policies and Impacts of Tourism**

##### **2.1.1 The Concept of Tourism**

It is widely accepted that tourism is gaining more importance with the end of 20th century and with the beginning of 21st century regarding to the economic restructuring. It has emerged as one of the world's most centralised and competitive industries, and hardly any other economic sector illustrates so clearly the global reach of transnational corporations (Robertson, 1995).

The concept of tourism is a multidimensional and complex, therefore there are various definitions of tourism. Some focus on spatial dimension, some focus on economical components of tourism while some of them emphasize the cultural aspects. Nevertheless, there are some dimensions of the concept that are must and common in all definitions. Because of the fact that the aim of this study does not focus on this issue, a basic definition will be given briefly. According to the definition of the World Tourism Organization tourism covers “the activities of persons travelling to and staying in places outside their usual environment for not more than one competitive year for leisure, business and other purposes” (WTO, 1997).

Tourism serves to create local identity and helps to increase competitiveness of a locality; as being a service sector, it contributes to the economic development and job creation. It is a major job generator, including alternative employment opportunities for women, young people, highly qualified and unskilled people that provide the fostering of regional development (World Tourism Organization, Overview 2002).

The research of tourism has gained importance in recent years. Featherstone (1991 cited in Hall 2002) has stated that in the late twentieth century the pursuit of leisure has become an essential component of modern consumer culture. Travel and tourism are key representations of the growing dichotomy between work and leisure.

“In fact, subjects related with leisure-related activities have less observers compared to seemingly more important academic research on such matters as manufacturing and related issues.” (Hall 1994). According to Hall (2002:87) the reason of this situation is that the idea of “these activities can not be equated to work and only work can be serious”.

It's realized that in recent years this is gradually changing, more and more researchers are interested in the subjects of travel and tourism. According to Urry (2000: 121) this rising interest in tourism reflects the recognition that leisure-related activities are indeed important functions within modern societies and that their consumption ‘cannot be separated from the social relations in which they are embedded.’ Researchers have begun to realize that through studying tourism it can be gained idea on issues relating to social and economic restructuring.

### **2.1.2. Economic, Social and Environmental Impacts of Tourism**

Tourism has become an important policy tool dedicated to the change, development and reconstruction of the social and physical environment (Hartmann, 1986; Hughes, 1995). Impacts of tourism on host societies have been considered by many researchers and both positive and negative consequences of the sector are widely

acknowledged. They provided valuable insights in clarifying impacts and identifying perceptions and attitudes of host societies. This section, takes a general look at the economic, socio-cultural and ecological impacts of tourism.

**a. *Economic Impacts:*** Development of tourism at a destination is mainly welcomed due to its wide variety of potential economic benefits. This argument is especially valid for coastal destinations since the 1950s (Hall, 1997) Tourism has been a main tool for economic development of inland and rural areas as well as for destinations which have relatively longer winter season. Many metropolitan cities of Europe employed tourism as a tool for selling the image of their central cities such as Paris, Rome, Edinburgh, Glasgow, Barcelona to name a few. Tourism's potential positive economic benefits of providing income and employment have encouraged central and local governments and the private sector to embark on this sector.

The economic benefits of tourism mainly include: Contribution to foreign exchange earnings and balance of payments, generation of income and employment, encouragement of entrepreneurial activity, diversity in the economy. Tourists spend money on services and thereby generate direct income and employment effects, whereupon the companies benefiting from this direct income in turn purchase services and goods from other companies, giving rise to indirect income and employment effects in other parts of the economic structure (Archer, 1982 cited in Hall, 1997). The resulting transaction chains may vary greatly in length depending on the structure of the region and its business network, and may continue still further in the form of personal purchases made by those gaining employment directly or indirectly from the tourist industry, constituting derivative, or induced effects.

**b. *Socio-Cultural Impacts:*** Socially, tourism has a great influence on the host societies. The socio-cultural impacts of tourism are mostly the effects on host communities of direct and indirect relations with tourists, and of interaction with the tourism industry. For a variety of reasons, host communities often are the weaker party in interactions with their guests and service providers, leveraging any influence they might have (Allen et al., 1988). Urry (2000) states that these influences are not

always apparent, as they are difficult to measure, depend on value judgements and are often indirect or hard to identify.

The impacts arise when tourism brings about changes in value systems and behaviour and thereby threatens indigenous identity (Hall, 1997). Furthermore, changes often occur in community structure, family relationships, collective traditional life styles, ceremonies and morality. But tourism can also generate positive impacts as it can serve as a supportive force for peace, foster pride in cultural traditions and help avoid urban relocation by creating local jobs. As often happens when different cultures meet, socio-cultural impacts are ambiguous: the same objectively described impacts are seen as beneficial by some groups, and are perceived as negative - or as having negative aspects - by other stakeholders.

*c. Environmental Impacts:* Environmental impacts of tourism is a huge research and policy area. Tourism's relationship with the environment is complex. The quality of the environment, both natural and man-made, is essential to tourism. It involves many activities that can have adverse environmental effects. Many of these impacts are linked with the construction of general infrastructure such as roads and airports, and of tourism facilities, including resorts, hotels, restaurants, shops, golf courses and marinas (Archer & Cooper, 1995). The negative impacts of tourism development can gradually destroy the environmental resources on which it depends.

On the other hand, tourism has the potential to create beneficial effects on the environment by contributing to environmental protection and conservation. It is a way to raise awareness of environmental values and it can serve as a tool to finance protection of natural areas and increase their economic importance.

**Table 2.1.** Positive and Negative Dimensions of The Impacts Of Tourism

Type of impact	Positive	Negative
<b>Economic Impacts</b>		
Economic	<ul style="list-style-type: none"> <li>▪ Increased expenditures</li> <li>• Creation of employment</li> <li>• Increase in labour supply</li> <li>• Increase in standard of living</li> <li>• Increase in investment</li> </ul>	<ul style="list-style-type: none"> <li>• Localised inflation</li> <li>• Real estate speculation</li> <li>• Failure to attract tourists</li> <li>• Better alternative investments</li> <li>• Capital outflows</li> <li>• Inadequate estimation of costs of tourism development</li> <li>• Undesirable opportunity costs including transfer of funds from health and education</li> </ul>
Tourism/Commercial	<ul style="list-style-type: none"> <li>• Increased awareness of the region as a travel/tourism destination</li> <li>• Increased knowledge concerning the potential for investment and commercial activity in the region</li> <li>• Creation of new facilities, attractions and infrastructure</li> <li>• Increase in accessibility</li> </ul>	<ul style="list-style-type: none"> <li>• Acquisition of a poor reputation as a result inadequate facilities, improper practices or inflated prices</li> <li>• Negative reactions from existing enterprises due to possibility of new competition for local manpower and government assistance</li> </ul>

Source: Hall, 1997

**Table 2.1.** Positive and Negative Dimensions of The Impacts of Tourism(Continued)

<b>Socio-cultural impacts</b> Social/Cultural	<ul style="list-style-type: none"> <li>• Increase in permanent level of local interest and participation in types of activity associated with event</li> <li>• Strengthening of regional values and traditions</li> </ul>	<ul style="list-style-type: none"> <li>• Commercialisation of activities which may be of a personel or private nature</li> <li>• Modification of nature of event or activity to accommodate tourism</li> <li>• Potential increase in crime</li> <li>• Changes in community structure</li> </ul>
Psychological	<ul style="list-style-type: none"> <li>• Increased local pride and comminty spirit</li> <li>• Increased awareness of non-local perceptions</li> </ul>	<ul style="list-style-type: none"> <li>• Tendency toward defensive attitudes concerning host regions</li> <li>• High possibility of misunderstandings leading to varying degress of host/visitor hastility.</li> </ul>
Political/Administrative	<ul style="list-style-type: none"> <li>• Enchanced international recognition of region and values</li> <li>• Development of skills among planners</li> </ul>	<ul style="list-style-type: none"> <li>• Economic exploitation of local population to satisfy ambitions of political alite</li> <li>• Distortion of true of event to reflect values of political system</li> <li>• Inability to achieve aims</li> <li>• Increase in administrative costs</li> <li>• Legitimation of ideology of local elite</li> </ul>
<b>Environmental impacts</b> Physical/Environmental	<ul style="list-style-type: none"> <li>• Development of new facilities</li> <li>• Improvement of local infrastructure</li> <li>• Conservation of heritage</li> <li>• Visitor management strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental damage</li> <li>• Changes in naturel processes</li> <li>• Archilectural pollution</li> <li>• Destuction of heritage</li> <li>• Overcrowding</li> <li>• Changed feeding and breeding hobits of wildlife</li> </ul>

Source: Hall, 1997



### 2.1.3. Tourism in the Global Framework

The recent growth of tourism in Western societies has been generally based on increasing free time, liberation and (almost) free movement of capital and the labour force and the successful diffusion of neo-liberal politics (Massey, 1994, Bell & Ward, 2000). Most of these changes are strongly related with *globalization*. Diminishing transport costs, increased movement of products, people and information and the general restructuring of spatial relations, have led to increasing spatial differentiation all of which has been mirrored in changes in tourism and its regional impacts (Saarinen 2003).

This increasing spatial differentiation has caused social and economic insecurity, with growing competition for production and consumers between, and within, tourist destinations (Saarinen, 2003). One aspect of this differentiation is the seasonality of tourism and its local and regional consequences in employment, income and services. In spite of the fact that tourism is an international and global activity and a process that has a wide variety of effects on different locations and spatial scales, tourism and its impacts are clearly not evenly distributed (Milne & Ateljevic, 2001).

Globalization forces have had significant impacts on tourism policy making, too. Featherstone (2003) states that transnational capital movements and economic integration have contributed to increased presence of global tourism operators and homogenization of tourism products. Increasing awareness and knowledge of the 'other' has led to recognition of boundness of tourism products and destination choice. On the other hand, Jenkins explained the impacts of globalization with counterbalancing these homogenizing influences of globalization, as differentiating local destinations and strengthening local cultures in the pursuit of tourism growth. In short, distinctive destinations sell.

Robertson (1995) has explained this process with the help of the term 'glocalization' that is referring global-local dialectic wherein local identity is reinforced by global processes. According to him, in an increasingly competitive global tourism

marketplace, destinations are under pressure to construct and promote distinct identities in order to position themselves competitively in the global context.

According to Robertson's (1995) terminology, "*glocalisation* (a blend of terms global and localization) is a global outlook adapted to local conditions. The idea of globalisation is closely related to micromarketing: advertising of goods and services on a global or near global basis to increasingly differentiated local and particular markets" (Robertson, 1995 ).

"To a considerable extent micromarketing or globalisation involves the construction of increasingly differentiated consumers, the 'invention' of 'consumer traditions' (of which **tourism**, arguably the biggest 'industry' of the contemporary world, is undoubtedly the most clear-cut example). To put it very simply, diversity sells" (Robertson, 1995 ).

The region, has been seen to be an extremely important component in the global-local context of development (Storper, 1997 cited in Milne, Ateljevic 2001). Amin defined the regions as a mixture of interfirm networks that stimulates economic growth. The regions of The Third Italy and Silicon Valley are the good examples of this process. They have been 'learning regions' that have created the right mix of circumstances to enable economic growth. Milne (1998) states that in tourism too, **the region has become seen as an important driving force in linking disparate segments of the industry** (Milne, Ateljevic 2001)

Hall (1994) defines the tourism as 'essentially a place-based phenomenon involving the production of destination identity at different scales'. The organizations at national, regional and local levels play role in promoting the place identity to attract tourist and increase market share. Both rural and urban settlements are influenced by tourism and they play important roles in shaping the structure of industry. In this context, regions have a vital role in linking national and local forces.

## **2.2. Tourism-Led Local Economic Development**

In the international context, tourism is mostly considered as a tool for local economic development. Tourism-led LED has taken importance in recent years, but it is still little discussed in literature. The most of the studies concerning with this issue are asserting theoretical frame from the experiences of case studies (see Rogerson, Agarwal, Stobart and Ball, Shaw, Williams Sorensen, Jenkins and Dredge).

Rogerson (2002) explains the reason of this lack of tourism-led LED studies asserting that tourism is seen as mostly having international importance and seen as a catalyst for job creation and a potential driving force for national economic development. Therefore, importance of tourism in LED is as not noticed as national economic development. By the experiences of some regions achieving tourism-led LED, understanding of the issues concerning tourism-led LED has become essential for local policy making.

In this section, existing discussions surrounding tourism-led LED will be investigated. Firstly, recognition of localities as tourism spaces and production of local destination identity will be discussed. And then the key dynamics and success factors in tourism-led LED will be defined.

### **2.2.1. Tourism-Led Local Economic Development**

It is mentioned that tourism is mostly recognized as a medium tool for local economic development (Agarwal 1997). Most of the researchers have discussed the contribution of tourism to the local economy and analyzed a number of international examples where tourism is lead sector for LED.

Tourism has become a more prominent part of local economic development. The growing economic role of tourism has made it a social and political issue, and tourism has been increasingly used as a medium for many socio-cultural and economic goals on the regional and local level.

Interest and interventions concerning tourism and local economic development has started in global economic restructuring since the early 1980s. Until the 1980's tourism development was based on the place marketing activities of the traditional sea, sun and sand resorts and spas of North America and Western Europe. By the 1990s it was realized that that tourism was 'an essential part of the economic development strategies of the local state.

In a context of global restructuring and de-industrialization, tourism was seen as a catalyst for local economies in terms of job creation and enterprise development and a window of opportunity for the renewal of many urban economies that were in decline. It was recognized as a medium for reshaping the image of the inner cities places by regenerating them and also restructuring ailing rural economies. The historical development of tourism-based LED and international experiences is discussed detailed later.

Tourism has an important role in contributing employment and it injects new jobs and additional income into the local economy. The contribution of tourism is the

- creation of new employment opportunities,
- enterprise development
- diversifying local economy,
- improvement of local living standards
- conservation of local heritage

According to Shaw and Williams (1998), a more vibrant and diverse local economy offers more employment and entertainment opportunities for the local residents.

Creating new jobs and by this way attracting new business is important in tourism development. In this respect, creation refers to all local efforts to encourage the formation of new business. Williams (1997) offers a term called 'local climate' which will be helpful for new job formation. This climate consists of capital financing, labor

supply, technology and assistance, management assistance and public authority support.

Tourism is seen as a key element that helps economic restructuring and enables communities to enhance their economic foothold in regional and national economies (Milne and Ateljevic 2001). Stobart and Ball (1998) claims that local tourism development initiative may boost the local policy machine in ways that enhance and extend the status and strength of the local economy. According to them, tourism promotion is feasible almost anywhere and is enthusiastically pursued by the local state.

Beyond all of these measurable indicative impacts of tourism to LED such as generating of jobs, diversification and income; it has less obvious but significant impacts to local economy. Starting point of this iade is “Tourism can act as a focusing force within a locality”. These impacts can be defined as;

- awareness of local economic potentials,
- partnership development and team building,
- identity building and image enhancement.

Many of the researchers identify these impacts as success factors of tourism-led LED.

According to Stobart and Ball (1998), the drive for tourism by local authorities and linked agencies, often through the creation of a local action plan, provides a valuable self-appraisal opportunity that may raise the awareness of local economic potentials. It promotes partnership development and team building within and between local authorities and outside agencies and organizations. Tourism can help localities to enable team building and co-operation, it has an ‘entrée’ role to other areas of economic development policy, it can create ‘civic boosterism’ (the term used by Stobart and Ball, 1998) and identity building.

Under the light of these features of tourism with respect to local economy, it can be asserted that while there is a conventional positive view of tourism (most of the researchers have this one), a less conventional and skeptical view is standing beyond this. The first one offers that tourism industry has real, sustainable potential for expansion and is viewed as a durable industry, it creates jobs and generates streams of income, regenerate ailing urban economies, generates a fresh image. The second view offers that tourism creates jobs that are marginal, uncertain and seasonal. It generates very little income for local economy (Stobart and Ball,1998).

William and Shaw (1998) defines the tourism labor market as ‘lollipop jobs in candy floss industries’. It is low quality employment in unstable economic activities such as retail catering (Stobart and Ball 1998). Also, there are other negative sides relating tourism asserted by some of the researchers such as that it has risk of the failure, it is constrained by external control and it is dominated private sector.

Another view relating with tourism and local economy is that the impacts of tourism to local development varies depending on the place, time and nature of tourism activities. Tourists use services that are part of several economic branches. Thus, tourism is a set of branches or a cluster of different economies rather than a single independent form of economy.

Milne and Ateljevic (2001) state that this nature of tourism also emphasizes the need to think of the connection of tourism activities to other economies and social systems in the regions used by the tourism industry and what impact those connections or disconnections have in the regions and how they could be developed. Use of local resources in tourism is one of necessary linkage. It helps to develop links between the tourism industry and other livelihoods using the same resources and locations. In order to be not limited of local benefits from tourism such linkages should be increased.

### **2.2.2. The International Experience of Tourism-Led LED**

Until the 1980's tourism-based development was based on the place marketing activities of the traditional sea, sun and sand resorts and spas of North America and Western Europe. Since the early 1980s, interest and interventions concerning tourism and local economic development has started in global economic restructuring. In fact, it was realized in 1980s that it could be stated that tourism was 'an essential part of the economic development strategies of the local state.

In the 1980s, new local economic growth model has given a fresh impetus to the concept of local development initiative, by incorporating tourism development objectives (Oztin, Saleem, 2004) While tourism initiatives may have economic development objectives, it may also have other objectives such as restoration of historic and cultural sites as well as conserving the ecological sites.

Over the last two decades, tourism-led LED has emerged particularly in industrial cities, as based on urban tourism (Law, 1991, 1996, 2000 cited in Rogerson 2002). For example, many industrial cities in Britain such as Sheffield, Birmingham, Wigan, Bradford, Liverpool, Glasgow or Manchester have sought to become tourism destinations (Rogerson, 2002). The tourism-based development initiatives of these cities were mostly in response to rapidly decline of manufacturing jobs, urban decline. In order to tackle with this unemployment problem caused by decline of manufacture activities, tourism was seen as a viable strategy to sustain economic development (Giarratani and Houston 1989 cited in Rogerson, 2002).

These LED initiatives in many British industrial towns for urban tourism have included activities as the development of:

- inner- city leisure spaces,
- waterfront developments,
- festival market places,
- casinos, museums, conference centres, festival markets and sports stadium

Tourism was seen as a catalyst for local economies in terms of job creation and enterprise development. In a context of global restructuring and de-industrialization, tourism offered opportunities for the renewal of many urban economies that were in decline. Tourism also had a significant role by helping to reshape the image of these places by regenerating the inner cities of many European and American cities (Law, 2000 cited in Rogerson 2002). Components of this re-imaging included the hosting of large-scale sports or cultural 'mega-events', the making of heritage area, the establishment of art galleries, theatres and museums, and the development of city cultural policies (Rogerson 2002).

Throughout the 1990s interest in the opportunities for tourism-led economic development spread beyond Western Europe and North America into urban Australia, New Zealand, Singapore and Hong Kong (Rogerson, 2001). In Singapore the vigorous initiatives set to catalyse tourism through new historical and cultural attractions represent an outcome of the interplay between global economic forces on the one hand, and local level economic planning on the other (Teo and Yeoh, 1997; Chang, 1999 cited in Rogerson). China have achieved tourism –based local development by domestic tourism and many cities rejuvenate their economies through tourism.

In New Zealand public sector entrepreneurship in tourism development is an important component in a new local culture of public management which surfaced in the 1990s (Ateljevic and Doorne, 2000). A number of local authorities have actively engaged in tourism promotion. Place marketing represents the most common activity engaged in by local authorities with the generation of promotional literature, signage and tourism product development (Ateljevic and Doorne, 2000). Another common theme is the encouragement of event tourism, through support for cultural, arts and sports festivals. Further initiatives have involved assistance for new museums and the planning of waterfront developments To enhance community involvement and raise awareness of tourism variously through open days, radio talkback shows and regular columns in the local newspaper are another components of tourism development (Ateljevic and Doorne, 2000).



At the close of the 1990s the wave of tourism-led initiatives for economic development was spreading into South Africa. (Binns, Nel 2002).

‘One final element in the international spread of tourism-led economic development relates back to its origins in the coastal resorts of Western Europe. Indeed, throughout the 1990s many of the declining coastal resort areas of Western Europe re-engaged with LED initiatives in order to rejuvenate seaside tourism and aggressively compete with newer tourism destinations.’ (Agarwal, 1999; Agarwal et al., 2000 cited in Rogerson 2002: 102).

Law (2000) states that the major geographical focus of this post-1980 wave of tourism-led LED activity has been, in cities rather than rural areas. Although some successful small town tourism-led LED initiatives in both Australia and Canada, it was in the larger urban centres that tourism gained a major profile in local development planning. Beyond these, a number of smaller rural focussed tourism LED initiatives also have been emerged in Western Europe, North America and Australasia (Page and Getz, 1997; Lassila, 2000; Saxena, 2000 cited in Rogerson 2002). These initiatives have emerged in order to address rural out-migration and restructure ailing rural economies.

### **2.2.3. Success Factors and Key Dynamics Of Tourism-Led LED**

The analysing of success factors of local economic development through the tourism is necessary. There are a number of success factors driven from the investigation of many researchers on the experiences of tourism-led LED in developed countries

There is no single plan or policy or no defined set of success factors offering panacea for success through tourism. Davidson and Maitland (1997: 187) assert that there is “no off-the-peg package which will guarantee all destinations success through

tourism”. However, it can be critical ingredients that might constitute the ‘best practice’ of successful tourism-led LED.

Public authority support, diversification through other economic sectors, and community participation are the success factors offered by Milne (2001). According to Debbage (1998), there are some other significant factors such as local networking, diversification, partnership and local training.

Gordon and Goodall (2000: 304) define the success factors as; institutional capacity, participatory planning, comparative advantage arising from inherited local/accessible resources, economies of scale and scope in the operation of tourist services, human capital development, collective action which ‘involves the circumstances under which potential beneficiaries will actually feel motivated to engage in costly action, when individual rationality suggests waiting for others to act’ strong local traditions and established habits of co-operation, local competitive action, leadership potential from a strong local authority representing the functional economic area, co-operation of local stakeholders to support of initiatives and partnership-based forms of local governance.

Rogerson (2002) offers ten key success factors for tourism-led LED. They are; adequate total tourism product or portfolio of products, social development, pro-poor tourism policy interventions, avoiding the ghettoisation of tourism (means tourist participation to local events), SMME development, local networking, defining constant and objective monitoring and performance indicators, community participation within and support for a tourism-led local economic, good governance-cooperation and institutional thickness.

As clarified briefly, there are many success factors and key dynamics of tourism-led LED asserting by many researchers. The common factors can be summarized as follows:

- Partnership approach
- Institutional thickness

- Adequate Tourism Product And Services-*Portfolio of Tourism Products*
- Participatory Planning
- Supplying Tourist Participation To Local Events
- Local Training
- Strong Local Authority

*Partnership approach* , which is one of key aspects of LED, is critical in the tourism-based development, too. Because, local economic development action is about creating consensus about the direction of local development, convergence in programmes of the various actors and about partnerships between local government, private sector and civil society.

According to Jacobs, it brings diverse interests together and enables public authorities to cohere around common objectives (1997 cited in Gibbs and Jonas, 2000). The formation of a strategic partnership between local business, every level of tourism authorities, NGOs and the local authority is the key development catalyst of a successful tourism-based development strategy.

Public– private–community partnerships can diversify the local development initiative, draw in more stakeholders and maximise the potential success and benefits of the process (Nel 2001). It helps to realize participation of key stakeholders. It also helps to increase the capacity of local governments to provide tourism infrastructure. The participation of key stakeholders may generate new forms of localeconomic governance.

The origin of the partnership concept is not something in the Western world, particularly in the UK and USA. The origin of it can be traced back to the pre-war period of the late 1930s in the USA such as Dallas Citizen Council in 1937 (Oztin and Saleem, 2004). Oztin and Saleem (2004) state that they were mainly pro-growth coalitions or initiatives for promoting urban inner city regeneration. But the objectives and the organizational framework have changed and evolved over the last 50 years.

The aims of the latest ones are promoting inward investment, city promotion, and training & education (Oztin and Saleem, 2004). One example of such a partnership was Boston Compact in 1982 between the Private Industry Council, trade unions, local authorities and colleges. etc. Another partnership, the Greater Baltimore Council in 1955, was a 'place marketing' campaign for urban regeneration attracting alternative economic sectors such as leisure and entertainment.

In the 1980s, new local economic growth model has given a fresh impetus to the concept of partnership, by incorporating tourism development objectives (Oztin and Saleem, 2004). While tourism initiatives may have economic development objectives, it may also have other objectives such as restoration of historic and cultural sites as well as conserving the ecological sites.

Most of these partnerships have established to trigger local area economic growth and targeted at a number of specific development areas. These were mostly in response to rapidly decline of manufacturing jobs, urban decline. In order to tackle with this unemployment problem caused by decline of manufacture activities, they have sought assistance from the European Community sources and adopted new-technology based development policies and saw tourism as a viable strategy to sustain economic development (Giarratani and Houston 1989).

Tourism Development Action Programme (TDAP) in Britain was a successful example for such a partnership (Oztin and Saleem, 2004). It was seen as an innovative policy tool and seemed to fit the rather centrally driven public- private partnership model used by other development agencies. It evolved from a local authority initiative (an informal association) to a significant tourism development and promotion initiative nationally to be managed by formal partnership companies.

The main partners of TDAP were:

- Regional boards
- Local authorities and
- Governmental agencies from the public sector.

The participants from the private sector were:

- Water companies
- Local chambers of commerce
- Private hospitality and tourism establishments

The major activities of TDAP were:

- Market potential and feasibility assessments
- Tourism training and customer care programs,
- Public relations and image-building campaigns
- Promoting inward investment
- Visitor management initiatives
- Business advisory services
- Environmental improvement and conservation programmes.

The main goal of this partnership was to help achieve partners' objectives thereby seeking to maximize the common benefits as identified by the partners (Oztin and Saleem, 2004). The common objective of this partnership programme as defined by the key partners is **'to strengthen the local economy through tourism development'**. This means contributing to local income, employment, image, infrastructure development, public facilities development and therefore social development.

*Institutional thickness* which will be discussed deeply in the next chapter is an important factor for successful tourism-led LED. It basically refers to the role of key decision-makers in local development process and it requires involvement from all stakeholders. The concept that is introduced by Amin and Thrift (1994) emphasizes

the importance of strong institutional base in order to achieve local development and it has important implications for tourism development, too.

It is argued that successful tourism spaces require more than “the presence of a range of interesting attractions”; instead “the organisational structure and culture of its tourism system exert a great amount of influence” on its success ( Rogerson, 2001). According to Geerts (2000, p.129 cited in Rogerson, 2001) institutional thickness is critical for successful tourism spaces and that ‘poor inter-organisational communication and coordination lead to a duplication of effort, to activities that overlap and conflict and to fragmented decision-making’.

The key elements of institutional thickness with regard to tourism are defined as; (Rogerson, 2002)

- collective representation from a range of organizations and institutions,
- high levels of inter- institutional co-operation and communication,
- identification with a common objective and,
- Shared cultural norms and values

Institutional thickness has significant role in different types of tourism development. The collaboration or partnership between the institutions in different scales such as national, local or regional tourism organizations is vital for tourism-led LED. All of these organizations including public, private or non-profit ones work in order to increase the competitiveness of a tourism destination. In theory, the pooling of resources at each of these spatial scales strengthens the product base and permits the establishment of a level of product depth, distinctiveness and competitiveness that is far greater than individual products would allow (Pearce 1992; Buhalis & Laws 2001 cited in Dregde & Jenkins 2003). As a result, a destination, whether it is national, regional or local, may be able to reach wider or more distant markets and, hence, increase its competitiveness.

*Adequate Tourism Products and Services* is necessary for tourism development. A total tourism product which is the combination of resources and services should be developed (Davidson and Maitland 1997) Competitiveness of any tourism space is determined by the diversity of and quality of its resources and services. (Smeral, 1998) These resources are:

- natural resources (climate, environment, landscape),
- built environment resources (historic sites, retailing attractions and the like)
- socio-cultural resources (including arts, culture, festivals, sports attractions)

Tourism spaces should not depend on single tourism product, but having a successful portfolio different quality of tourism products (Smeral 1998).

Additionally, essential services should be provided such as transport, health, and many critical support services which attract visitors. Tourism-led LED is not a viable option in the areas that would not have the basic requirements for tourism (a) intrinsically physically unattractive, (b) lack infrastructure, (c) not perceived as safe or secure; and/or (d) inaccessible by road or rail. (Rogerson, 2002) It can be put forward that without such a mix, a place will not work as a destination.

Another factor for successful tourism-led LED is establishment of '*participatory planning*'. This should be focused on 'the overall planning of economic and physical development of the area concerned'. A well researched and realistic tourism strategy can be a very effective tool in developing tourism at a particular destination. When stakeholders collaborate together and attempt to build a consensus, many benefits occur. Such collaboration avoids the cost of resolving conflicts in the long term, improves the coordination of policies and related actions and 'adds-value' by building upon the store of knowledge, insights and capabilities of stakeholders in the destination (Dredge, 2001).

British local authority tourism strategies can be good example to this. These strategies involve importance of clearly-defined aims of local authority, necessity of thinking from the perspective of tourists in order to guide future development,

addressing the resentment from local residents concerning expenditure on developing tourism facilities or infrastructure, by ensuring that facilities are as desirable to local people as to visitors, engaging local residents in debates about the most appropriate forms of development and ensuring that tourism activities are self financing.

*Supplying tourist participation to local events* is significant factor for tourism-led LED. Attempts should be made to avoid the ghettoisation of tourism in destination regions. Tourists should be encouraged to venture away from the ‘tourist oases’ and instead participate in a richer learning experience in destination areas, taking the opportunity to meet local people, take part in everyday local events or even to visit local work places (Rogerson, 2002).

In order to realize successful tourism-led LED, *local training* is necessary. It is significant for providing necessary skills for employment in tourism or for enhancement of tourism entrepreneurship opportunities through small business development. It helps to increase competitiveness of the local economy. Local training institutions should be established in order to be competitive in tourism industry.



## CHAPTER 3

### ‘INSTITUTIONAL THICKNESS’ CONCEPT

#### 3.1. ‘Institutional Thickness’ Concept

This chapter aims to discuss institutional thickness concept and its main constitutive elements within the context of global economy, institutional turn and the new institutionalism in economic geography. It finally discusses the role of institutional thickness in tourism-led LED.

##### 3.1.1. The Global Economy and Competitive Advantage

“In a globalized world, a fundamental question is how local areas can compete, or, putting the point slightly differently, what are ‘the real prospects for self-governed development paths in an era of global interdependencies?’” (Amin and Thrift 1994: 1) In global economic restructuring it can be asserted that the major impact at the scale of national and urban economies is the necessity to foster international and local competition. *Competitiveness* has become an important factor in achieving economic development.

In an increasingly ‘borderless’ world, localities have had to adapt to changing circumstances by making themselves more competitive and identifying the economic opportunities offered by new global market (Raco 1998). Raco (1998:1) states that;

“Competition has been intensified, facilitated by technological and political changes, which have systematically freed local and national economies from the restrictions of regulation and social embeddedness, to new mechanisms of free market competition. The ways in which these processes of globalization are played out at the local level are critically dependent on a range of social, economic and political factors.”

According to many economic geographers, in order to be competitive in this global era, 'knowledge' is an important factor (Amin and Thrift, 1995, Raco, 1998, Storper, 1997). Knowledge as a factor production has become vital for achieving competitiveness and now economic activity is dominated by knowledge-based economy. The development of the knowledge-based economy has been dependent on the emergence of new technologies based on the rapid dissemination of information and technologies.

In this era, enterprises have to adopt new process technologies and new flexible systems of work organization. Therefore, competitive advantage shifts to smaller producers working in flexible, information-rich collaborative relationships (Raco, 1998:2).

Regions such as Silicon Valley, central Italy, Baden-Wurttemberg are examples of this new flexible production. Commonly known as 'new industrial districts' they have maintained competitive advantage. They achieved this not only through the existence of advantageous physical resources, but also through the emergence of socially and institutionally mediated forms of selective co-operation between actors. (Storper, 1997). The literature on industrial agglomerations has generally moved towards a new approach based on a recognition of the importance of an institutional atmosphere (Amin and Thrift, 1995:99). This was the beginning of 'institutional turn' in economic geography.

### **3.1.2. Institutional Turn and the New Institutionalism in Economic Geography**

In order to answer the question of being competitiveness in global era, understand processes of local development within an increasingly globalized economy and explain the success of new industrial agglomerations as mentioned above, economic geographers drawn upon concepts from institutional economics in recent years (such as Amin and Thrift, 1994; Cooke and Morgan, 1998; Storper, 1997, Raco, 1998). Coulson and Ferrario (2007) states that they rejected classical geographical explanations for location, based on resource availabilities, physical resources and costs of production. They stressed the importance of the institutional histories of areas and of the relationships between the firms and organizations within them.

Institutional economists such as Martin (2000:77) explain this process by recognition of socio-cultural within economic geography. According to him economic geographers were excluding socio cultural factors from their analyses. (2000). They started to emphasize the social context of economic life and the dynamic evolutionary nature of economic growth and researched how social and institutional conditions shape regional development prospects. Amin and Thrift (1995:100) states that:

Emphasis is now given to social and institutional factors such as non-market relationships and trust; a strong sense of common industrial purpose; social consensus, local institutional support for business; and agencies and traditions encouraging innovation and skill information and the circulation of ideas.

According to Martin (2000) the development of institutional perspectives in economic geography and regional development studies reflects the growing interest in institutionalism across the social sciences. He states that:

The argument that economic processes are crucially shaped by the broader institutional frameworks within which they operate contrasts with the historic tendency for economic geography to follow mainstream economics in abstracting 'the economic' from its wider social, political and cultural contexts (2000: 79)

Institutionalists contend that the economy is stabilized through broader social rules and norms (Amin, 1999).

Economic geographers have also drawn upon a related set of ideas from economic sociology which offers that economic processes are grounded in social relations (Granovetter, 1985 cited in Coulson and Ferrario, 2007:592). Martin states that institutionalist terminology may have become widespread within economic geography, but many of the terms and concepts used common such as 'institution', 'institutional thickness' 'social embeddedness', 'networks' and 'governance.

**Table 3.1.** Terminology of Institutionalism

<b>TERMINOLOGY OF INSTITUTIONALISM</b>	
<b>PATH DEPENDENCY</b>	<p>*Path Dependency is the notion that past decisions about technology will shape future ones. For evolutionary economist, the past always weighs on the present (cultural and institutional approaches are in the same platform).</p> <p>*Technological change is path dependent because it involves independencies between choices made over time-choices sequenced in time, not simultaneous, and often irreversible.</p>
<b>LOCK-INS:</b>	<p>*Lock-in occurs when a decision made about technology became irreversible. A technological advantage emerges because of such factors as externalities, spillovers and untraded interdependencies.</p>
<b>LOCAL EMBEDDEDNESS</b>	<p>*It actually means '<i>spatial proximity</i> among firms'. It means that all actions, including economic, takes place, in concrete, ongoing systems of social relations. In turn, those relations are conceived as '<i>networks</i>' of interpersonal contact and attachment.</p>
<b>INSTITUTIONAL THICKNESS</b>	<p>*Institutional thickness emphasizes the importance of local social and cultural relations in the development of regional economies, derives from '<i>embeddedness</i>'.</p> <p>Constitutive elements of it:</p> <ol style="list-style-type: none"> <li>1. STRONG INSTITUTIONAL PRESENCE</li> <li>2. HIGH LEVELS OF MUTUAL INTERACTION</li> <li>3. STRUCTURES OF POWER</li> <li>4. LOCAL COMMON ENTERPRISE</li> </ol>
<b>UNTRADED INTERDEPENDENCIES</b>	<p>* Some particular firms are tied with each other into various kind of networks with other firms through informal exchanges.</p> <p>* The general role of region is seen as a focus of 'untraded interdependencies' between actors. These interdependencies include <i>trust, reciprocity and collaboration</i>, which generate <i>region-specific material and non-material</i> assets in production.</p> <p>*They are interdependencies which are untraded including labor markets, public institutions, locally or nationally rules of action, customs, understandings and values.</p> <p>* Many of the relations assets and untraded interdependency that keep a particular economic specialization in place are possible because of 'spatial proximity'</p>

As mentioned above one of these terms was the 'embeddedness hypothesis' of Polanyi, (1944;1957) as later developed by Granovetter (1985). It asserts that trust, reciprocity, cooperation have a key role in successful regional development. It offers that small firms in a local or regional economy are in a stronger position to survive if they are embedded in a network of relationships which encompass family ties, local loyalties and trust, expectations, and shared responses to crises or threats. According to Coulson and Ferrario (2007:592), "They allow the economic gains from cooperation to be realized, while discouraging opportunistic or dishonest behaviour." In this way 'trust, reciprocity, cooperation, and convention have a key role to play in successful regional development' (Martin, 2000: 84).

According to many researchers the development of institutions is one the central features of modernity (Giddens,1991; Beck, 1998 cited in Raco, 1997). Social, political and economic transformations and activities are increasingly being mediated through institutional structures (Giddens, 1991 cited in Raco 1998). Giddens states that "social systems are composed of interactions, regularized as social practices, the most persisting of these being institutions" (1995:42)

To institutionalists, contacts, networks, and flows between institutions can create powerful nodes of local governance and economic growth. Likewise, a deficit of institutional interaction can weaken the position of localities in relation to global forces (Hudson, 1995; Tödtling, 1995 cited in Amin and Thrift, 1995). The academic interest in this 'new institutionalism' has emerged as a consequence of the view offering that form of local institutional relations is a potential source of economic and political power within a changing global environment.

In these conditions, in order to understand how global-local interactions are locked together at the institutional level, Amin and Thrift (1994) introduced the concept of 'institutional thickness'. In particular, they maintained that 'global processes can be 'pinned down' in some places, to become the basis for self-sustaining growth at the local level' (Amin and Thrift, 1994: 11).

### 3.1.3. Institutional Thickness and Its Four Constitutive Features

The concept of institutional thickness introduced by Amin and Thrift (1994) in order to understand how global-local interactions are locked together at the institutional level has four constitutive elements:

1. **A *strong institutional presence***, the existence of a multiplicity and variety of organizations, such as groups of firms, financial bodies, chamber of commerce and industry, business services organizations, trade unions, local and regional authorities, central government agencies, development agencies, innovation centres, marketing boards. Some of these organizations provide collective representation, physical services, or both.

2. ***High levels of mutual interaction***: interaction between local organizations, in the form of regular contacts, both formal and informal, at various organizational levels; and in the form of cooperation and information exchanges. These should produce, over time, ‘a degree of mutual isomorphism’ (Amin and Thrift, 1995: 102). Furthermore, the forms of interaction may generate social norms and habits, thus creating a particular ‘social atmosphere’ (MacLeod and Goodwin, 1999: 513 cited in Coulson and Ferrario 2007), and relations of trust (Raco, 1998: 978).

3. ***Structures of domination and/or patterns of coalition***, which ‘minimize sectionalism’ (MacLeod and Goodwin, 1999: 513), help the ‘socialization of costs and the control of rogue behaviour’ and bring coordination into what takes place (Amin and Thrift, 1995: 102). The structure of the relationships is likely to reflect the relative power and power base of the different organizations, their dimension and type of resources (short/long-term budgets), their local financial significance and their financial stability, and their organizational and financial independence from external factors (such as national-level decisions).

4. **A *mutual awareness of being involved in a common enterprise*** developed by local organizations. This refers to a common agenda, which local organizations at the same time develop and depend upon (Amin and Thrift, 1994: 15). The common

agenda is influenced by the specific patterns of domination and relative power and, in turn, it ‘establish(es) local legitimacy and relations of trust’ (Raco, 1998: 978). Finally, it is this ‘widely held common project which serves to mobilize the region with speed and efficiency’ (Amin and Thrift, 1994: 15).

These four non economic factors can be analyzed in a more practical way as following:

**Table 3.2.** Constitutive Elements of the Institutional Thickness (Source: Adapted from Amin and Thrift, 1995)

<p><b>Institutional presence</b></p> <p>The existence, of a multiplicity and variety of institutions, within a territory, organizing a variety of practices representing the local building blocks of institutional thickness</p>
<p><b>Networks and interactions between institutions</b></p> <p>The form and regularity of interactions of institutions including direct official contacts between different policy makers and officers within different institutions, the flows of information between institutions and the networks existing between within institutions. Over time, such contacts can lead to the establishment of trust and co-operation</p>
<p><b>Structures of power, domination and control</b></p> <p>Such factors help to minimize rogue behavior and to ensure coalition building and collective representation</p>
<p><b>A common agenda to develop upon</b></p> <p>A local common agenda or goal which local organizations at the same time develop and depend upon. It helps to establish effective networks</p>

The introduction of the concept of institutional thickness was a significant development. It emphasized the importance of local social and cultural relations in the development of regional economies and the importance of institutions for local economic development. It did this by attempting a synthesis of existing arguments concerned with institutions and development, and proposed a taxonomy of relevant institutional factors that was measurable and verifiable. The concept of institutional



thickness may therefore be conceived as a building block for an analytical and replicable approach to the analysis of the role of institutions in local economic development. (Coulson and Ferrario, 2007:593)

According to Amin and Thrift (1995), economic success of industrial agglomerations is strongly dependent on their ability to offer a certain “institutional thickness” to support and embed the economic life. “Thickness” is conceived to stress the strong presence of both institutions and institutionalizing process, combining to constitute *a framework of collective support for individual agents*. (Amin & Thrift 1995:104)

In order to answer the question of how such institutional thickness helps a locality in terms of territorialized economic system, Amin and Thrift (1994:15) suggest six outcomes of institutional thickness:

- Institutional persistence, that is local institutional reproduced.
- The construction and deepening of an archive of commonly held knowledge of both the formal and tacit kinds
- Institutional flexibility; that is, the ability of organizations in a region to both learn and change.
- High innovation capacity, as the common property of a locality.
- The ability to extend trust and reciprocity.
- The sense of a widely held common project, which serves to mobilize the local economic system as a whole with speed and efficiency.

In developing this theory, Amin and Thrift (1994) were clear that institutional presence and interaction in a territory did not guarantee economic success. They (1994:17) asserted that ‘thickness’ as an expressive of a past economic trajectory may be an obstacle for institutionalism of new processes and structures. They (1994) gave an example of Swiss watch industry for this. According to Glasmeier (1994), in Swiss watch industry its craft-based institutions and traditions were a constraint to change and innovation when the industry was suddenly faced with digital competition from Japan. Another example recognized by Hudson (1994) who

showed that while institutions and institutional relations were well developed in the north-east of England, the region could not be defined as economically successful.

It can be asserted that the institutional thickness conceptualization is not without problems. First, there are issues of cause and effect. Thus, when looking at the institutions in successful regions, more than likely one finds a complex and vibrant set of networks and organizations. It does not follow that the institutions caused the success—they may as well be a product of it (Wood and Valler, 2004: 12 cited in Coulson and ferrario, 2007: 594).

Second, there is a risk of conflating organizations with institutions (Jessop, 2004: 33–4). The term institution in the classical sociological literature refers to a set of ideal types (the church, the family, the town or village, the research community), while in recent sociological– institutionalist approaches it refers to the set of norms, rules and practices, both formal and informal, which structure actions in their social context (Coulson and Ferrario, 2007: 594).

Third, there are issues of geography: relevant networks may have little correspondence with any other boundaries, including local government or regional boundaries. Fourth, as Amin and Thrift (1994) assert there are problems with simplistic policy recommendations: it may not be possible to create or replicate an institutional structure, and competitive success and failure can happen whatever the institutional configuration.

More than 10 years after its introduction, it is clear that the theoretical concept of institutional thickness can still provide relevant insights; but there are limits that constrain its explanatory power and theoretical strength. In particular, the existing literature, while it provides a framework for a rich tapestry of descriptive detail, does not contain much references to a methodology for an empirical application of the concept to analyse local economic development (Coulson and Ferrario, 2007: 596).

### **3.2. Institutional Thickness and Tourism-Led Local Economic Development**

Institutional thickness has important implications for organization of tourism and understanding how the production of local destination identity takes place (Dredge & Jenkins, 2003). It helps to reassert local distinctiveness. Amin and Thrift (1995) states that the reassertion of local interests and distinctiveness can help develop a competitive edge in the market place. In order to reassert this local interest and distinctiveness, they introduced the concept of ‘institutional thickness’ as a means of understanding how institutional arrangements influence the capacity of regions to compete globally (Amin & Thrift, 1995). They argue that social and cultural factors are important determinants of economic success. Institution in this context may be defined as formal and informal agglomerations of actors and agencies concerned with economic development. As mentioned in the previous section, institutional thickness depends upon a combination of four factors:

- Collective representation by many bodies
- Inter-institutional interaction and synergy
- A common industrial purpose
- Shared cultural norms and values

Dredge and Jenkin (2003) states that ‘thickness’ establishes legitimacy and collectivization; it encourages knowledge sharing, the development of mutual trust and a common purpose.

Institutional thickness has significant role in local tourism development. At the local level, tourism activity is often diverse, fragmented and spatially dispersed, comprising mainly small businesses with direct and indirect linkages to tourism. Destinations need to be created in order to market them appear different from usual worlds of potential visitors (Urry 1990 cited in Dredge & Jenkins 2003).

Public sector has an important role in this process by supporting organizations charged with marketing destinations at different scales. The relationship between

these formal organizations and networks of social relations within the destination are complex. They have an important effect, directly and indirectly, in agenda setting and communication across different sectors and between individual actors and an important effect at an informal level, such as ( Dredge & Jenkins 2003):

- the way that local interest, motivation and participation and leadership develops;
- the extent, nature and quality of communication and information sharing;
- the way that collectives of actors develop and maintain or sever partnerships and alliances;
- the development and diffusion of ideas and innovation;
- the formulation and implementation of management and marketing strategies, decisions and actions
- monitoring and evaluation of plans and policies

The formal and informal institutional environment in which tourism planning and policy-making occurs varies spatially and temporally. In many cases, multi-level organizational structures exist which focusing on the production of “the local” at different spatial scales. For e.x national tourism organizations generally direct their resources to creation of a national brand and identity where local organizations direct their energies to the creation of localized place identities (Pearce, 1992).

All of these institutions in different scale work to develop different aspects of tourism in a destination and complement with each other. In this context, the diversity of them both in terms of scale and organization type is important. Therefore, first constitutive feature of institutional thickness - *strong institutional presence* or in other words *collective representation by many bodies*- is vital for development of a local tourism destination. At the same time, - *inter-institutional interaction* - interactions between local governments, local tourism associations, the regional tourism organization and operator/producer groups, the national organizations is important, too.

*A local common purpose/agenda* is significant for tourism development, too. Firstly, recognition of tourism as a priority for local institutions and reflecting this into their action plan or policy making is important. Secondly, overlapping of the interests of local tourism industry (tourism establishments, tour operators, travel agencies etc.) is necessary for obtaining tourism development.

Institutional thickness has important implications for heritage tourism as suggested by Ball (1997). Institutional thickness is significant in terms of identifying and assessing the role of key decision-makers in the process. Ball (1997) in his research paper which discusses industrial heritage and tourism, suggests that the key aspect in this issue is recognising and realising the potential of heritage. This can be achieved by a strong partnership between the local state and others. He (1997, p. 4) states that 'Recognition often requires proactivity - perhaps on the part of local planning representatives - in identifying not only a problem but also a potential in the redundant industrial built environment.'

In addition to this realisation there needs to be guaranteed funding for both revenue and capital needs. According to Ball (1997) it is also apparent that the successful transition of a building for heritage tourism use always involves, as a necessary but not guaranteeing feature – effective organisation, an adequate management structure. Institutional thickness appears as a necessary feature for funding mechanism. The key aspect is the coincidence of private sector interest and/or willingness to enact heritage projects in partnership with others; local authorities with a commitment to heritage tourism; other agencies with enthusiasm. In this respect, the projects related with bringing old buildings into direct heritage tourism use may be private sector led.

It can be suggested that this 'heritage relevant institutional thickness' plays an initiator role for the projects related with heritage tourism. Strong partnership approach, especially between private sector and central and local government agencies, can be seen as the key catalyst for tourism development. Because, this adds an extra, and vital dimension to the vibrancy of existing institutional structures (Ball, 1997).

Agarwal (2005) suggests that institutional thickness influences the deployment of local action in coastal tourism, too. In her study discussing English coastal resorts, Agarwal (2005, p. 362) states that institutional thickness is a multi-faceted concept emphasizing the existence of different institutions and agencies, all or some of which can provide a basis for the growth of particular local practices and collective representations. It has become increasingly important in local areas, particularly in light of the emergence of local governance and collective action. 'This is because the institutional landscape is likely to be fragmented and generally reliant upon interagency networking and partnership for coherent public policy responses to emerging local economic challenges' (Hoggett 1991; Rhodes 1996, 1999 cited in Agarwal 2005, p.362).

## CHAPTER 4

### CASE STUDY: TOURISM-LED LOCAL ECONOMIC DEVELOPMENT PROCESS AND INSTITUTIONAL THICKNESS IN BEYPAZARI

#### 4.1. Research Methodology

A case study method is used as a research strategy of this study. Beypazari district is the case whose tourism-led LED process is examined in terms of institutional thickness. Qualitative analysis is applied within the study using both qualitative and quantitative data.

Within the context of qualitative research, interviews have been conducted with representative of institutions in order to assess institutional thickness in Beypazari. The interviews that carried out in the period of October-December 2007, have been source of primary data and information, referred mainly to the period 1999-2007. The representatives of institutions interviewed with are;

- the Mayor of *Beypazari Municipality*
- the Chairman of *Beypazari Local Chamber of Commerce*
- the Governor of *Beypazari District Governance*
- the Director of *Ankara University Beypazari Vocational School*
- the Director of *Gazi University Beypazari Vocational School*
- the Director of *Sincan Directorate of 'Small Enterprises Development Center' - subordinate body of Small and Medium Size Industry Development Organisation*
- the Representative of *'The Foundation for the Promotion and Protection of the Environment and Cultural Heritage' Ankara office*
- the Official of *Chamber of Architects Ankara office*

- the Chairman of *Association of the Development and Maintaining of Culture and Tourism of Beypazarı*
- the Chief of *Park Holding Çayirhan Thermal Power Plant*
- the Owner of *Mevaların Mansion* in Beypazarı
- the Owner of *Selam Hotel* in Beypazarı
- the Owner of *İpek Yolu Hotel* in Beypazarı

The questions asked during the interviews were determined and derived from the issues related to ‘institutional thickness’ discussed in the theoretical chapter. The interviews were semi-structured and were including open-ended questions.

First part of questions is related with the institution itself, working field, the establishment year etc. Second part is concerned with the institutional relationships such as “interactions, contacts, information exchanges and co-operation between the institutions”. Whether there are any institutions collaborated with is asked. Collaboration issues, the roles and responsibilities in these co-operations, time period of these interactions and continuity of them are tried to be investigated. The third part of questions tries to investigate whether “a local common agenda” exists or not. In this sense, whether the institution has a goal or agenda towards Beypazarı is asked. And the last part of questions is related with their budget, annual report and control mechanisms.

Although questions to ask about are determined, it is free to move the conversation in any direction of interest that may come up. Therefore, each interview tends to be unique.

The information collected with interviews has been completed with the other data resources. One of these resources includes documents which constitute census data, written reports, books, articles, researches. The other source of evidence is statistical information taken from the Beypazarı Municipality, Beypazarı Chamber of Commerce, Chambers of Arts and Crafts and Turkish Statistical Institute.



## 4.2. Local Characteristics and Potentials of Beypazarı

### 4.2.1 Spatial Features

Beypazarı is a district of Ankara Province and is located on the old road between Ankara and İstanbul. The town is approximately 100 km. away from Ankara and is surrounded by Kırıbrıcık and Seben (Bolu) on the north, Nallıhan and Eskişehir on the west, Polatlı on the south, and Ayas, Güzöl, Çamlıdere on the east.

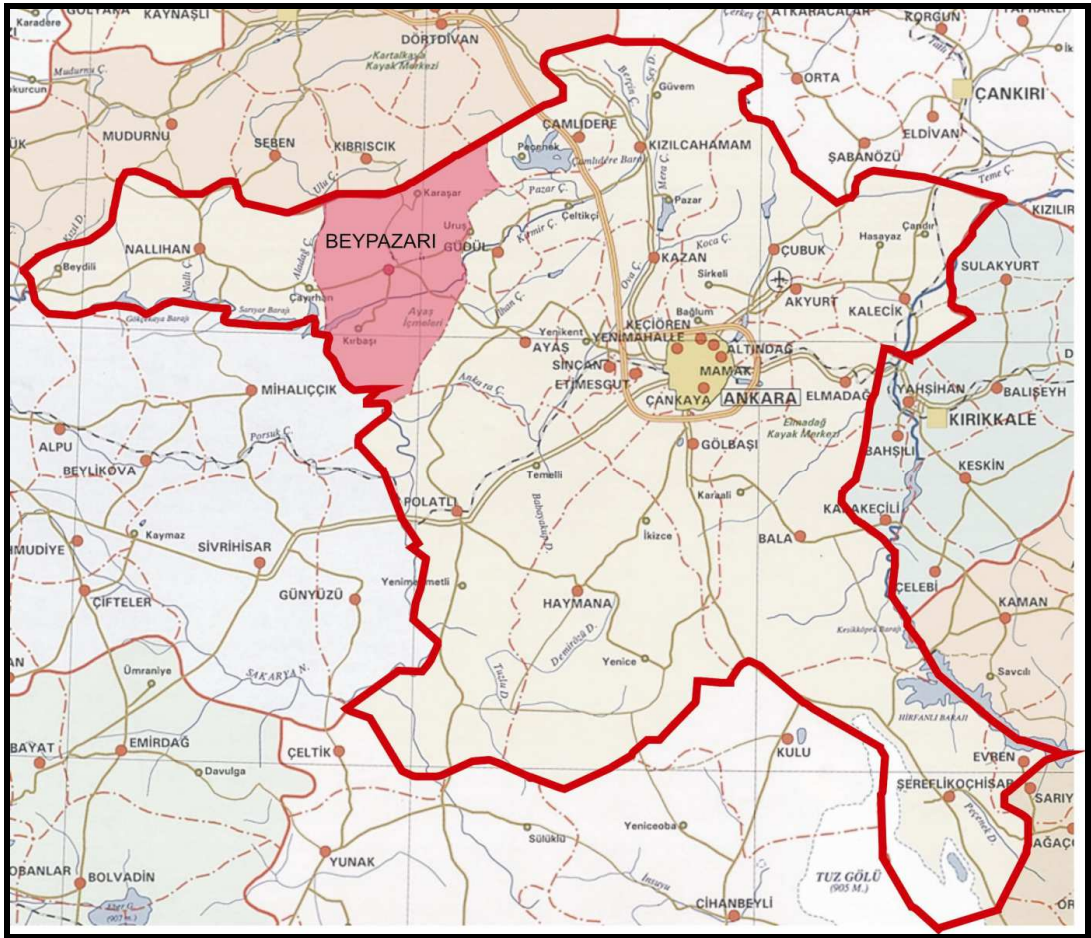


Figure 4.1. Location of Beypazarı District (Source: [www.ankara.gov.tr](http://www.ankara.gov.tr), last accessed November, 2007)

Köroğlu Mountains on the north and Sündiken Mountains on the south encompasses Beypazarı plain which is irrigated by Kirmir River. (Bozkurt cited in Genca, 2005;47) Northern parts are more rugged. The town, surrounded by Hıdırlık, Salihli and Üç Kızlar hills, has an irregular topography.

The population of Beypazarı is about 51,841 (TURKSTAT 2000) of which 45.000 live in the city center. (<http://en.wikipedia.org/wiki/Beypazar%C4%B1>, last accessed September 2007 ).

Beypazarı contains 11 neighborhoods in the town center, 3 towns (Karaşar, Uruş, and Kırbaşı) and 64 villages. To the north of the Ankara-Istanbul road, old town is placed between the hills. Buildings are located appropriate with the topography. The traditional buildings can be seen in this zone, which contains the historical commercial center and 6 neighborhoods surrounding it along the Mundarcı River, which is now covered. Commercial activities take place around the historical commercial center, and have tendency to develop to the south along the road connecting old town the high way (Genca, 2005; 48).



**Figure 4.2.** Residential Buildings of Beypazarı District (Source: <http://www.beypazari-bld.gov.tr/fotograflar.htm>, last accessed June 2007)

As mentioned above, residential area of Beypazarı consists of two parts, the traditional and the modern. Because of the rocky formations determining the topography, traditional residential area, streets and houses had been settled

appropriate with organic texture. The modern residential settlements with multi-storey modern buildings are settled in the east and southwest parts of city.

#### 4.2.2. Historical Evaluation

Beypazarı is known to be an old settlement. The traces of old cultures are come forth during the archeological investigations, which are of Hittite, Frigian, Galatian, Roman, Byzantine, Anatolian Seljukid and Ottoman periods in sequence (Genca, 2005; 50). First settlements were at Saritepe and Derbentçik villages, and then these moved to Karsıyaka. In the Roman period, the important historical road connecting Istanbul to Ankara and Bagdat was passing from Beypazarı. Originally a stop on a trade route connecting **İstanbul** to Baghdad, Beypazarı was known as *Lagania* (Greek: Λαγάνια), meaning *rocky peak* in the Luwian language during the Roman and Byzantine times, and the town was a regional administrative center). The town was also a bishopric center during Byzantine period ([http://en.wikipedia.org/wiki/Beypazar%C4%B1\\_\(District\),\\_Ankara](http://en.wikipedia.org/wiki/Beypazar%C4%B1_(District),_Ankara), last accessed November, 2007).

Beypazarı was a trade center on the Istanbul-Bağdat route, during Seljuqs period. The Ottoman dominance on Beypazarı began following the conquest of Ankara by Orhan Bey. In those days, Beypazarı was a central region connected to the Flag of Hüdavendigâr (Bursa). After the Ankara War in 1402, Beypazarı was taken back by Çelebi Mehmet. (Pitcher, 1967:133).

According to Evliya Çelebi visited Beypazarı in 1638, the town was a center for Angora wool production and sale, and an important bazaar place for the surrounding towns. Çelebi states that there were 3060 houses, madrasas, 7 hans, baths and 600 shops, and near the river, the bazaar was set (Yurt Encyclopedia, 578). In this period, Beypazarı was one of the Anatolian Riding Centers that forms main structure of Ottoman Land Regime and Military System. Referring to the Riding Chief of the region and the concentration of commercial and economic life, the name was changed into “BEG BAZARI”.

Beypazarı first became a sub-district, then a subdivision of Bursa city Hüdavendigâr Sanjak, and then after the Ottoman Reformation, it became a province of Ankara in 1868. It is said that the town was first located around the place where now Derbentçik Village is located, then grew to the İnözü Valley. Being located on the Historical Silk Road increased the importance of the city as a commercial center. In compitable with records, the population of Beypazarı in 1573 was 10000 people. This shows the historical importance of the city (Beypazarı Municipality cited in Sat et al 2006).

After 1868, it continued being an important region connected to Ankara, because of a governmental change (Beypazarı Chamber of Commerce, 2003). In the second half of the 19th century, non-Muslims took control of the trade in town. Cengiz (2003:26) states that Beypazarı has lost its importance due to general economic regression through the entire district, which was caused by the decrease in the Angora wool production.

In Republican Period, Beypazarı became the biggest province of Ankara (Sener, 1997:14). Population in Beypazarı decreased after 1940's, but then after 1960's, development of the town and opening of the coalmines increased the population once again, today reaching to 51.841.

#### **4.2.3. Economic Features**

Main economical activities of Beypazarı are agriculture, stockbreeding, industry and handicrafts. Additionally, tourism has begun to be an important source of income in the last few years (Genca, 2005; 47).

Beypazarı's production capacity of side products such as carrot and sugar beet has an important proportion with reference to total production of side products of Ankara. In this sense, Beypazarı is the carrot warehouse of Turkey with a variety of side products like carrot delight and carrot juice, and it provides 60 % of carrot production of Turkey. Another important side product is sugar beet in Beypazarı where provides 34% of sugar beet production of Ankara (Beypazarı Chamber of Commerce, 2003).

The potential and capacity of stockbreeding in Beypazarı is also high. Towns with large feeding ground raised the capacity of stockbreeding in district. Especially, the production of poultry selling, beekeeping, Angora goat, cattle breeding and sheep firming has been increased in last years.

With reference to industrial capacity, Beypazarı can be seen as developed district than other districts in Ankara. For instance, BEYPI which was numbered in the first 500th industries of Turkey in 1992 is one of main industrial factory in Beypazarı (<http://www.beypazari-bld.gov.tr>, last accessed December, 2007).

**Table 4.1.** Distribution of Local Industry (Source: Beypazarı Chamber of Commerce, 2003)

<b>Small Industrial Area (Site)</b>	
<b>Location</b>	<b>Number of Workshops</b>
<b>Sectoral Distribution</b>	
Mechanic	27
Ark	65
Case Repairer	45
Otomobile Repairer	33
Pair seller	42
Iron Monger	9
Iron Works	90
Painter	20
Carosery-Carpenter	20
Lathe Works	20
Electrician	30
Upholstery	18
Tiner-Copper Works	29
Oven Makers	13
Silver Works	40
Flour Grinder	4
Total Number of Workshops	505

Beypazari is the greatest coachwork center in Turkey, with truck and pickup boxes produced in the factories in Carpenters Industrial Site with high technology. Beypazari has approximately 40 coachwork factories with 10 000 pieces per year (Beypazari Chamber of Commerce, 2003).

Mineral water industry is another well-known economical activity in Beypazari. There are situated springs of Karakoca Mineral water in Inozu Valley, 6 km away from Beypazari. Beypazari mineral water, processing at modern facilities, is sold both to local and to global markets. Mineral water and “Trona mining zone”, which is in the second order in the world with 200.000.000 tone geological reserve, are other important factors in local economy ( <http://www.beypazari-bld.gov.tr>, last accessed December, 2007).

The 32 % of total employee of Beypazari works on service industries. With reference to the Municipality of Beypazari (2006) service sectors, particularly commercial and financial businesses have been increased in variety in the last ten years.

Beypazari district has an important tourism capacity and capability. In the last ten years, the number of cultural tourism activities has increased. In compatible with this, percentage of domestic and international tourists who visited and stopovered has increased and touristic activities has enlarged in the area. In this respect, the number of restored houses with new activities, such as motel and restaurant, has risen. (*The evalution of tourism sector through local development context, will be discussed within the following chapter*).

**Table 4.2.** Tourism Establishments in Beypazarı (Source:Beypazarı Municipality, 2007)

ACCOMODATIONS
<ul style="list-style-type: none"><li>• 13 ‘Historic Mansion’</li><li>• 4 Hotel</li><li>• 5 Pensions</li><li>• 1 Thermal Hotel</li></ul>
TRADITIONAL PRODUCT STALLS
<ul style="list-style-type: none"><li>• 67 Traditional Food Stalls</li><li>• 16 Local Handicrafts Stalls</li></ul>
LOCAL FOOD RESTAURANTS
<ul style="list-style-type: none"><li>• 21 Restaurants</li></ul>
SILVER ESTABLISHMENTS
<ul style="list-style-type: none"><li>• 45 Silver workshops</li><li>• 32 Silver Selling Stores</li></ul>
“KURU” OWENS
<ul style="list-style-type: none"><li>• 7 owens of Beypazarı Kuru</li></ul>

As mentioned above, the proportion of tourism in economical configuration of Beypazarı has been increasing in last decade. As a result of transformation, either new commercial facilities such as operating a pension, or traditional economical activities such as textile, silver work, production of local products, have been realized (Beypazarı Municipality, 2006).

Another well-known economical activity is Gold Embroidery in Beypazarı. The history of Gold Embroidery in Beypazarı has very ancient roots. For this handicraft, which has a discipline of Craftsman-Apprentice-Assistant and which finds its way to present time; gold bullion is used as the raw material and little pearls and red corals are used as accessories. Beypazarı is also very famous in silver work i.e. silverfiligree

(a kind of silver work) and local foods, i.e.casserole of Beypazarı, sarma (vine leaf food) and Beypazarı Kurusu (hardtack). The “Telkari Art Embroidery”, which is made of gold and silver knitted as thin wires, is a famous Beypazarı handicraft, selected as the best product, in the “Cultural Giftware Design Contest” by the Ministry of Culture.

**Table 4.3.** Vocational Institutions in Beypazarı

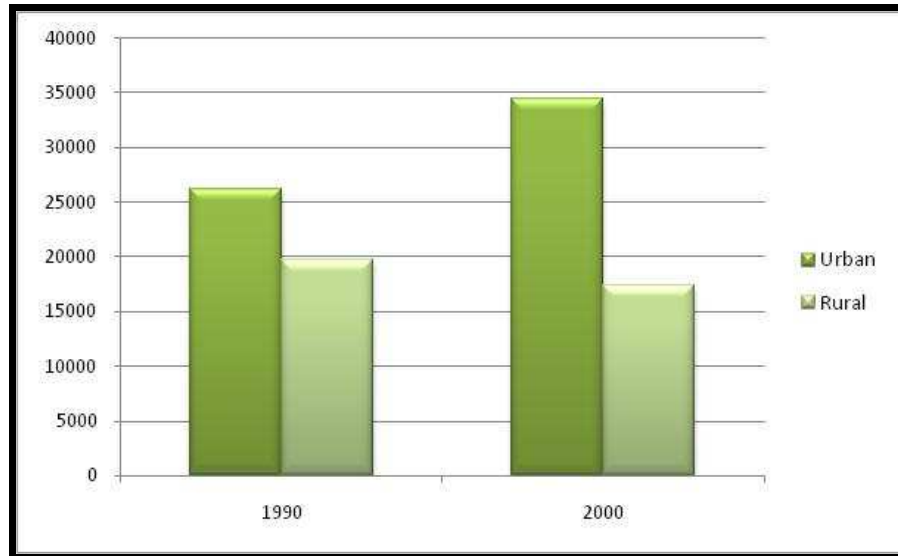
<b>CHAMBERS AND COMMODITY EXCHANGES</b>	<b>Number of Institutions</b>	<b>Members</b>
Chamber of Commerce	1	380
Chamber of Agriculture	1	
Chamber of Markets and Tradesmen	1	936
Chamber of Drivers	1	2.471
Chamber of Vegatable Producers	1	493
Chamber of Carpenters	1	400
Chamber of Hairdressers	1	176
Chamber of Tanners and Jewellers	1	150
Chamber of Iron Works and Stove Makers	1	221
Chambers of Tailors	1	166

Source: Beypazarı Chamber of Commerce, 2003

#### **4.2.4. Social and Demographic Features**

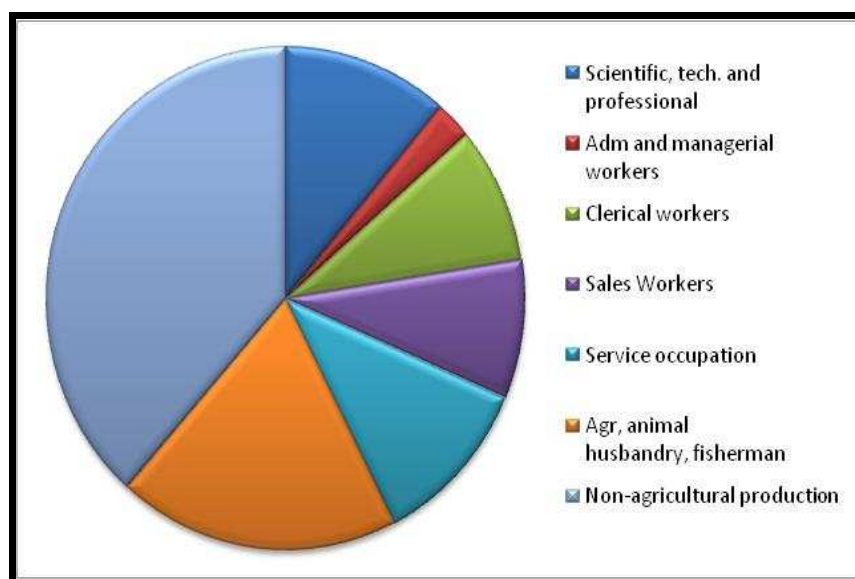
Beypazarı, with 51.841 population is the fourth biggest district of Ankara after Polatlı, Şereflikoçhisar and Çubuk. Population of Beypazarı in 1990 was 45.977 of which 26.225 in urban and 19.752 in rural. In 2000, the population increased to 51.841 of which 34.441 in urban and 17.400 in rural areas. ([www.turkstat.gov.tr](http://www.turkstat.gov.tr), last accessed November, 2007). As shown below, the population of urban areas rose between 1990 and 2000 while population of rural areas diminished at this time interval.





**Figure 4.3.** Population in 1990 and 2000 (Source: prepared based on the data of [www.turkstat.gov.tr](http://www.turkstat.gov.tr), last accessed November, 2007)

Total labour force is 9890, of which 1556 are unemployed in the town center of Beypazarı. (Beypazarı Chamber of Commerce , 2003). When examined, distribution of occupation in employed population shows a picture as following; 938 people in scientific, technical and professional occupations, 206 as administrative and managerial workers, 733 as clerical workers, 743 as sales workers, 919 in the statute of service occupation, 1590 as agricultural, animal husbandry, fisherman and hunters and 3205 in non-agricultural production sector.



**Figure 4.4.** Distribution of occupation (Source: Beypazarı Chamber of Commerce, 2003)

Since 1989, Public Training Center and Evening School of Art are in service for residents. Training center is usually for adults. Embroidery known as “Maraş işi”, sewing, hairdresser, silverfiligree courses are very popular in Public Training Center.

Also, since 1987 Apprenticeship Training Center , operating in seventy three occupation branches, gives rank certificate , artifice certificate and artifice instructive certificates to apprentices after necessary education.

100 bed capacity hospital in Beypazarı, operates as regional hospital with its situation and specialist staff. And also there are three village clinics in town center and one village clinic in Kırbaşı, Karaşar and Uruş municipalities.

6 Agricultural Credit Cooperatives and 8 Village Development Cooperatives are established to support rural development and evaluate production.

#### **4.2.5. Local potentials of Beypazarı for Tourism Development**

Beypazarı with its cultural and natural potential is on the way of tourism development. In Beypazarı, there are 3000 historical wooden buildings, of which 84 were registered by Ministry of Culture and Tourism. Also, 20 historical buildings, 18 archeological protected areas, crystal mineral trona, health resort water are other considerable cultural and economic assets in district. [Beypazarı Municipality, 2006]. In the following parts, cultural and natural values will be examined in detail.



**Figure 4.5.** Historical pattern of Beypazarı (Source: Beypazarı Municipality archive, 2007)

#### **a. Cultural Values**

Beypazarı has been one of the prominent center of settlements during centuries, so there are many, historical buildings traditional houses, handcrafts and local foods. (Sat et al., 2006)

***Historical buildings:*** Suluhan Caravansary found in bazaar, built in 1613 at the beginning of 17 th century is one of the main historical building in Beypazarı. When the plan of Suluhan is observed, it is classical Ottoman city inn type with double floured and resembling a square. A stone with a sword figure exists on the Caravansaray's inscription. Suluhan with five bridges has geometrical figures on it. Restoration works are still going on Suluhan Caravansaray and the first major objective is to regain its old appearance. (<http://www.beyforum.net/forum/introduction-of-beypazari>, last accessed November 2007)

Boğazkesen Dome situated on a rocky ground is another historical structure. It is, a remaining of Seljuks from 13 th century mainly used for storing water and observing tower. Other structure Ivazdede Tomb, located between the citlenbik trees on the hill near to the top of Salihler Hill is also called as Ayvaşık Dede by public. The inscription at this Tomb, explains that larger one among two graves belongs to Ivazdede while the other small one belongs to Mehmet Efendi who is chief of a religious order known as Halveti. The Culture House donated by Nurettin Karaoğuz, is also crucial.



Figure 4.6. Historical Buildings in Beypazarı (Source: Beypazarı Municipality archive, 2007)

At this house historical maps showing Beypazarı history, historical remainings showing disappearing public culture and life style, valuable ores, antiques are shown to visitors. Aksemseddin Mosque, situated at the city cente, built by Aksemseddin, evokes Seljuk' architecture type with rectangular shape, wooden ceiling, stone works. Today, it is everlasting and open to worship and there is a madrasah next to it.

Other mosques such as Soultan Alaeddin Mosque; whose construction was between years of 1221 and 1225 and in the era of Alaeddin Keykubat, Soultan of Seljuks, is also known as Cami Kebir or Pasha Cami and Kurşunlu Mosque located in the bazaar at the city center, a heritage from Ottoman Empire so its architecture style are important historical buildings. Also Yediler Tomb is located on the right of Inozu Stream. In the tomb, there are 7 graves but it is not exactly known who are in these graves ([www.beypazari-bld.gov.tr](http://www.beypazari-bld.gov.tr), last accessed November, 2007).

**Traditional houses :** Traditional houses are another important cultural values of Beypazarı. The most successfully protected structures of Ankara Civilian Architecture samples are observed in Beypazarı.

(<http://www.kenthaber.com/IlceDetay.aspx?ID=70>, November, 2007).

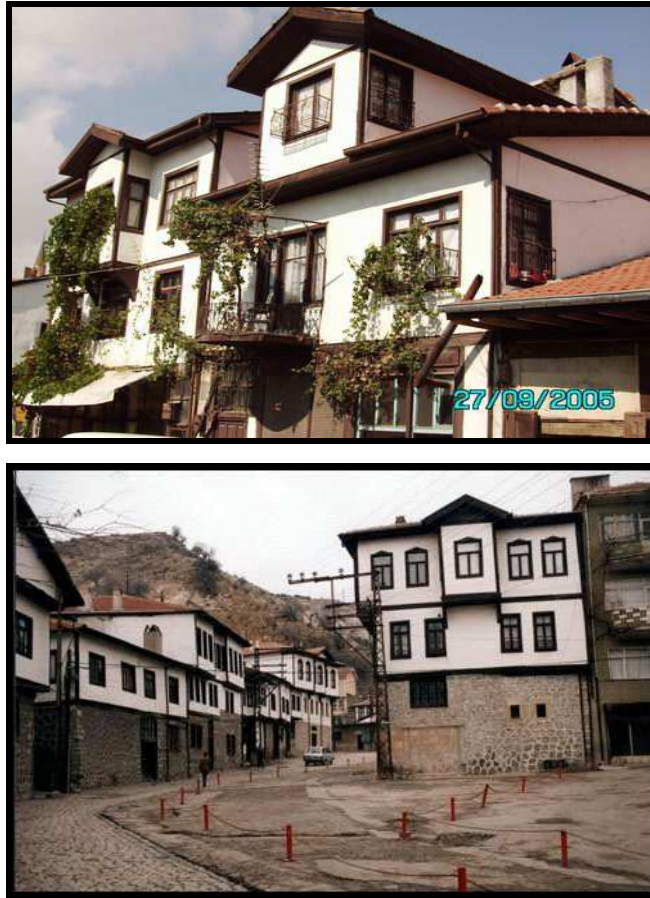
Traditional houses can be divided into two categories according to their different architectural characteristics; residences built before 1930 and residences built after 1930. Houses in Beypazarı are also described in Evliya Çelebi's famous work "Seyahatname" as "generally two or three storey buildings with cumba and a frame named as guşgana in public". These traditional houses, built before 1930, were usually designed for extended families. General characteristics of houses built before 1930 are explained as; houses can have small gardens or large gardens or no garden and their entrance can be directly from street or garden. Ground floors at these houses are for service spaces while upper floors allocated for living sections. 'Taşlık' on ground floor exists in all of the residences and a basin, a fire place, a staircase are found at taşlık. Generally paved in irregular stones are used on the floor of the taşlık. Also, basic element of ground floor is two winged entrance door. Facades of these houses are usually stuccoed by 'tatl siva' which is off-white in colour. (<http://www.kenthaber.com/IlceDetay.aspx?ID=70>, November, 2007).

When analysed the houses built after 1930, compared to houses built before 1930, their sizes differentiated, they are smaller in size and two storeyed, few of them are three storeyed. They are for small family not extended family as in houses built before 1930. The ground floor of these houses, mostly one family living, serve as "taşlık" and fireplace can be observed as a characteristic of this area. Taşlık has a



wood storage part. Houses built after 1930 do not have gradens and so directly connected to the street so are their entrances.

There happened seven very extended fire, houses with more than 200 years historical background burnt as a result of these disasters. Most of them were renewed sticking to their original type, by the help of craftsmen brought from Safranbolu. The prominent feature of these houses is, having hard ground and having cellars realized by cutting soil. These cellars were used as cold storage house.



**Figure 4.7.** Traditional houses of Beypazarı, (Source: (<http://www.beypazari-bld.gov.tr/fotograflar1.htm>, October, 2007)

**Local Handcrafts:** One of the cultural values of Beypazarı is traditional handcrafts. Tourists have been very keen on this cultural value in recent years as these are being prepared for so many years. A coat in the size of kerchief named as chevre, bindalli, yazma, silver filigree, cupperwork, ‘yemeni’ are important elements of local handcrafts.

Beypazarı is also famous among tourists for its silver filigree work. Silver filigrees are a kind of work of art with their different designs, delicacy in Beypazarı. Silver filigrees had been common in Beypazarı by spreading 'Ahilik' system. *Ahilik* is a name of labour association which was seen in 13. Century in Anatolia. Local people in Beypazarı accepted silver filigree as an art and developed it speedily. There is no silver mine in Beypazarı which was on very important trade road -Silk Road . As in past, today silver is being brought from other cities to Beypazarı. Silver comes from other cities as bullion, is melt and becomes strands. Silver, easily bowed due to being pure, are shaped as decoration goods and jewelery in the hands of craftsman. "Tılsım" is the symbol of Beypazarı in jewelery, around of tılsım is enriched by silver and used as necklace.

Today, in a reconstructed bazaar, silver craftsman are cooperating for this art to develop and to learn new generations. Also this art made a contribution of increasing tourism potential.

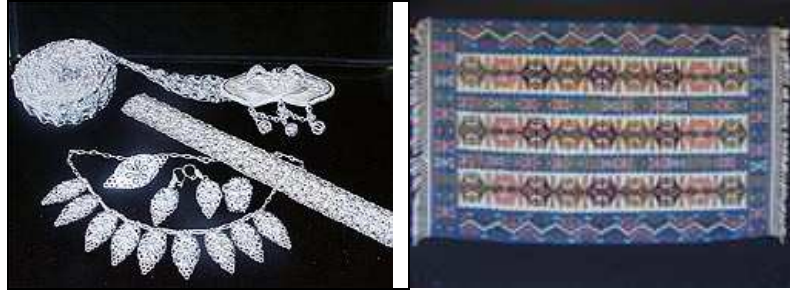
Beater copper work one of local handcraft is a kind of advanced art in Beypazarı. Craftsman in Beypazarı, beat mine with anvil and hammer so produce goods such as saucepan, pan, boiler and ewer. Copper goods produced by the technique of beating since past times are used today by local people. Bindallı, traditional clothe of Beypazarı is other value whose texture is velvet. The surface of bindallı is treated with goldthread. All maids have these clothes as heritage from their mothers or grandmothers.

Also; cotton thread, artificial silk and worsted are used in textile industry going on as family occupation in Beypazarı. Traditional silk handcraft textile industry is realized for creating Bürgü which are used by only women for covering clothes and also produced by men

Pack Saddling was very important in past times but with the change of transportation vehicles, it lost its priority importance. The indicator that pack saddling was very old occupation in Beypazarı, is being situated on Baghdad Road. Beypazarı is rare place where pack saddling is continuing. (*Saddlery*: People who produce the goods especially; saddle, horse set which are made of leather and roan is called as Saraç

and the occupation carried on by this person is called saddlery. This occupation crucial for Turks is still alive in this town)

Ironworking is an occupation, while a decrease is observed in the number of blacksmith who shape iron at fire room by using; hammer, sledge, anvil, this art of work overall in all cities of Turkey, is still be seen in Beypazarı.



**Figure 4.8.** Traditional handcrafts (Source: [www.beypazari.gov.tr](http://www.beypazari.gov.tr), last accessed November, 2007)

**Traditional foods :** Food culture is important in Beypazarı. Lots of delicious food can be tasted in this nice district. The most crucial reason of developed food culture is having fertilized agricultural soils so %70 of local people deal with agricultural activities. The need for tomato, spinach, pepper and carrot of big centers such as Ankara, İstanbul and also %60 for carrot need of Turkey is provided by Beypazarı. So it is not a surprise to see carrots' side products like carrot juice, carrot jam in Beypazarı.

Casserole of Beypazarı (*Güveç*), one of the special food of local Beypazarı kitchen, is cooked on stone ovens, bottom heating, and special earth plates. Other traditional food is Vine Leaf Food (*Sarma*). Vine leaf is main ingredient of this famous food. Special mixture of rice and lamb meat gives very different taste of this delicious food. Famous Beypazarı hardtack (*Kuru*) is indispensable of tea breaks consists of milk, butter and powder, but not water. Beypazarı '*Baklava*' is made of 80 layer thin dough in spite of its thickness is only 5-6 cm. Its cook time is about four hours. It is so delicious albeit cooking time is very long. '*Höşmelim*' whose ingredients are flour, milk, cream, salt and sugar resembles *Baklava* with being very exacting food.





**Figure 4.9.** Traditional local foods (Source: [www.beypazari.gov.tr](http://www.beypazari.gov.tr), last accessed November, 2007)

## **b. Natural Values**

There are a considerable amount of natural values in Beypazarı. Municipality aims to protect values of Beypazarı's proper geological and topographical characteristics by displaying some effective projects.(Sat, et al.) Some of these values are as following.

Inözü Valley situated to the north of Beypazarı is of rich value for its natural flora and archeological ruins. This is a steep and narrow valley, shaped by corrosion of the river of Inozu. Many caves carved in rocks are not accessible position, in the both sides of the valley. There are some caves can not be visited or can be visited very hardly, due to perpendicular sides of the hill. There is an estimation that these caves came from very old ages and used for accomodation units.

The Act numbered 2863 (The act of preserving cultural and natural values), made the mentioned caves and churches in rocks as archeological site and also natural site of the area having natural vegetations in valley ([www.beypazari.gov.tr](http://www.beypazari.gov.tr), last accessed November, 2007).

Other natural value is Hıdırlık Hill, on which all of natural beauties can be seen together and all tourists firstly visit this Hill. Egriova at a distance of 44 km to Beypazarı surrounded by forests is a very nice sightseeing place with its extended flora, lake and wood houses. "Traditional Plateau Fest of Karaşar Eğriova" is held here every year. Also activities such as golf, tracking, horse riding are realized here ([www.beypazari.gov.tr](http://www.beypazari.gov.tr), last accessed November, 2007).



**Figure 4.10.** Natural values in Beypazarı (Source: [www.beypazari.gov.tr](http://www.beypazari.gov.tr), last accessed November, 2007)

Kirmir River runs through the city center with the rivers of Süveri and İlhan, and joins the River of Sakarya with the River of İnözü. Kirmir Stream is used for fishing as well as agriculture. Tekke Valley, 10 km away Beypazarı and it was designed as forest park to provide as picnic area. The traditional picnic and casserole is held here annually.

Also thermal sources are significant in Beypazarı. There are two spring water namely Dutlu and Kapullu. Dutlu Thermal facilities is on the way of Ankara Ayaş Beypazarı. ([www.beypazari.gov.tr](http://www.beypazari.gov.tr), last accessed November, 2007).

### **4.3. Tourism-Led Local Economic Development Process in Beypazarı**

#### **4.3.1. Initiatives for Local Economic Development**

Tourism-led LED process has started with creating an awareness of the significance of cultural potential in Beypazarı under the leadership of local government. Mayor who has appointed in 1999, had an aim of conserving and sustaining historical values and this has caused to creation of a new vision within local people. Community partnership is provided to restore and develop the dilapidated traditional Ottoman houses.

In these conditions, the mayor, realizing the potential of cultural heritage initiated a restoration project aiming to protecting the local and traditional architecture and culture. Initially, the main objective was to protect, keep alive, develop and promote local culture (Beypazarı Municipality, 2006). As the model evolved, both local authority and community realized that tourism can be an important tool in achieving local development and the restoration project turned into an economic development initiative focused on tourism.

The project is composed of 4 parts: (Beypazarı Belediyesi, 2006).

1) Conservation and restoration of the historical patterns

- 3500 traditional houses dating up to back 200 years
- Historical market place composed of 600 shops,
- Nasuhpaşa (Suluhan)

2) Sustaining the traditional handcrafts

- Silver filigree, copperwork, tinwork, ironwork, leatherwork, weaving, shoemake, quiltmake

3) Conservation of natural values

- İnözü valley which determined as archeological site and natural site.

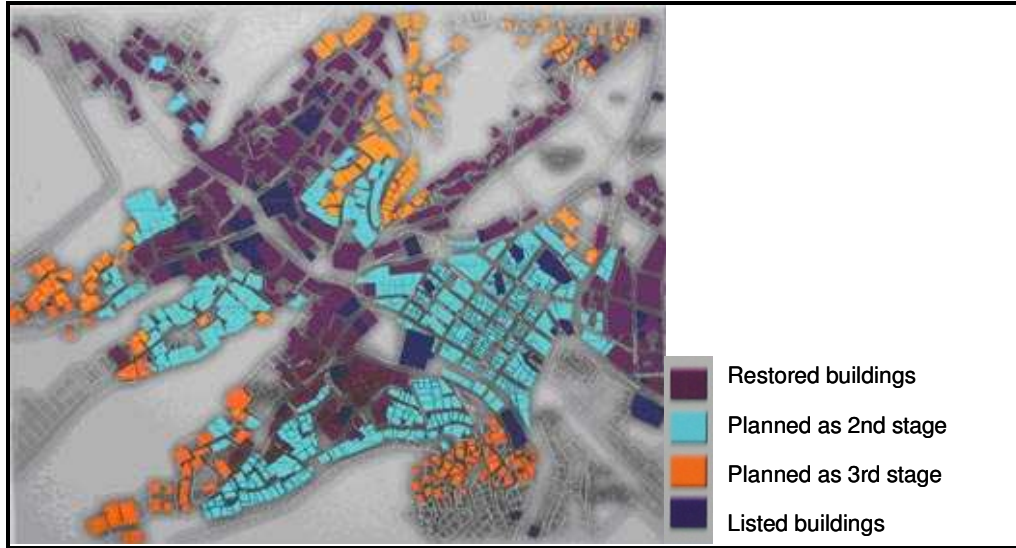
4) Protecting and keeping alive local language, and local culture

In the scope of this project, beyond these activities there are other initiatives such as protection of local foods by taking patent right for them (Casserole of Beypazari, Beypazari hardtack, 80-layer baklava).

Restoration activities, which are the first stage of the local government's project, have started with co-operation of many institutions under the leadership of Beypazari Municipality. The mayor of Beypazari states that technical support for the project has provided by non- governmental organizations (The Foundation for the Promotion and Protection of the Environment and Cultural Heritage (FPPECH) and Union of Historical Towns,) and universities (Gazi University, Middle East Technical University, Ankara University, İstanbul Technical University, Mimar Sinan University,) etc.

Financial support for restoration has provided by private sector, Park Holding. Ministry of Interior has supported by giving share from "promotion fund" by approval of Ministry of Culture and Tourism.

The project has started with analyzing present situation, determining the historical potential such as number of traditional houses, historical buildings and physical conditions of them. This study showed the potentials and gave some clues for the determining the sub-aims and strategies for the settlement. Technical support provided from universities and foundations, non-governmental organizations were used for determining sub-regions for restoration. (Beypazari Municipality, 2006). The planning area was divided sub-regions according to their implementation stage.



**Figure 4.11.** Stages for restoration process (Source: Beypazarı Municipality, 2006)

During this process, residents living in these historical houses were informed about the project and they were convinced by the Municipality that the economic value of their houses will increase, preparing and marketing home products will create additional income, they can make a livelihood by home pensions, with increasing tourism facilities in district. In one interview, mayor said;

“I convinced, encouraged the people in my own and I acted as a guarantor in necessary cases. Initially most of the residents accepted the project by my encourage, by believing in me, as the tourism facilities increased, positive effects were seen by the local people and they were convinced themselves. From now on, they had become willing for sustaining their cultural heritage.”

The implementation of the restoration process began with little repairs by owners. Initially , roofs and rain channels of houses were repaired, chimneys of the houses were converted to the original. In two months the roofs of 25 houses were restored with financial support of Park Holding and Municipality. Some of the residents covered all the expenses by themselves. in this process, the local people were informed about this restoration process and probable benefits of this. Consciousness was increased by this way and rehabilitation projects were become supported by the local residents. Therefore, young generations of the settlement worked for the

sustaining the architectural and cultural heritage as a volunteer. (Sat, Gürer and Üçer, 2006)

The participation of people was supplied with the help of informative project form, their thought and suggestions were taken by questionnaires and referendums and some important interventions are hold according to the results that are accessed with these surveys. As a result of the questionnaire for changing some street to pedestrian lane, 4 streets were closed to vehicle traffic and permitted only to pedestrian transition. The results of questionnaires and suggestions about regulation of Allaaddin Street, restoration of mansions, the amended river that will be opened out are noticed and studies about these arrangements are started. These studies are applied by participatory planning application and taken successful results. (Beypazarı Municipality, 2006).

With the help of people the old photographs of Beypazarı are collected and a record office is formed. These photographs are used for progressing the project healthy.



**Figure 4.12.** The restored houses (before restoration and after restoration)  
(Source:Beypazarı Municipality archive 2007)

Public associations buildings, street furnitures, dolmus stops, transformers and even recylce bins were gained historical site appearance in order to enrich the texture.

In a short time, 100 traditional houses were restored and weekend visitors from major cities, particularly from Ankara have started to come Beypazarı. Both local authority and community realized that tourism can be an important tool in achieving local development and the restoration project turned into an economic development initiative focused on tourism.

During this process, the participation of women into economic activity of the region had been obtained by preparing and marketing local home-made products and making a livelihood by home pensions, with increasing tourism facilities in district. As the revenue from these tourism activities increased, the awareness and willingness of people for tourism development has increased.

Restoration project constituted the acceleration for promotion activities. Festivals were started to be organized. In festivals people from other cities as well as local people have an opportunity to open stands. Also participations from other cities and states could be seen. Courses were opened aimed to sell clothing, cloth, production of handling blanket giftware that reflect the image of Beypazarı culture, in order to serve for tourism sector in vocational high schools (Beypazarı Municipality, 2006). In addition to these, production of “sof cloth” has been fostered to serve tourism sector.

The transaction that was driven by tourism sector enhanced entrepreneurship of other sectors. Attempts to change the physical environment, employment and education, entrepreneurs, producers, local management programs based on society to arouse tourism, organic agriculture support. Project which is started with the collaboration of local units of central government and NGO’s, attempts about infrastructure, rehabilitation of social structure and development of economy has started to yield positive results.



With coordination of District Governance and special provincial administration and directorate of Agriculture organic agriculture has been started to perform in the 150.000 m<sup>2</sup> area (Özelçi, 2004). For the 350-400 ton tomatoes which is producing at this time, marketing opportunities have been searched. On the other hand alternative products for the carrot were searched, after that study, production of raspberry, blackberry, broccoli, Brüksel cabbage have been started. The marketing of these products in Ankara started and some attempts of farmers were seen for marketing of these products to other cities (Özelçi, 2004).

#### **4.3.2. Effects of the Initiatives**

The LED initiative had many effects in physical, economical life of Beypazarı as well as the local identity. The short term effects were obtained in terms of job creation, enterprise development, improvement of physical resources. A sharp increase in the number of tourism establishments, the bed capacity of them, the number of local handcraft shops, employment in tourism sector and the value of historical houses was obtained since the year 1999 which LED initiative emerged.

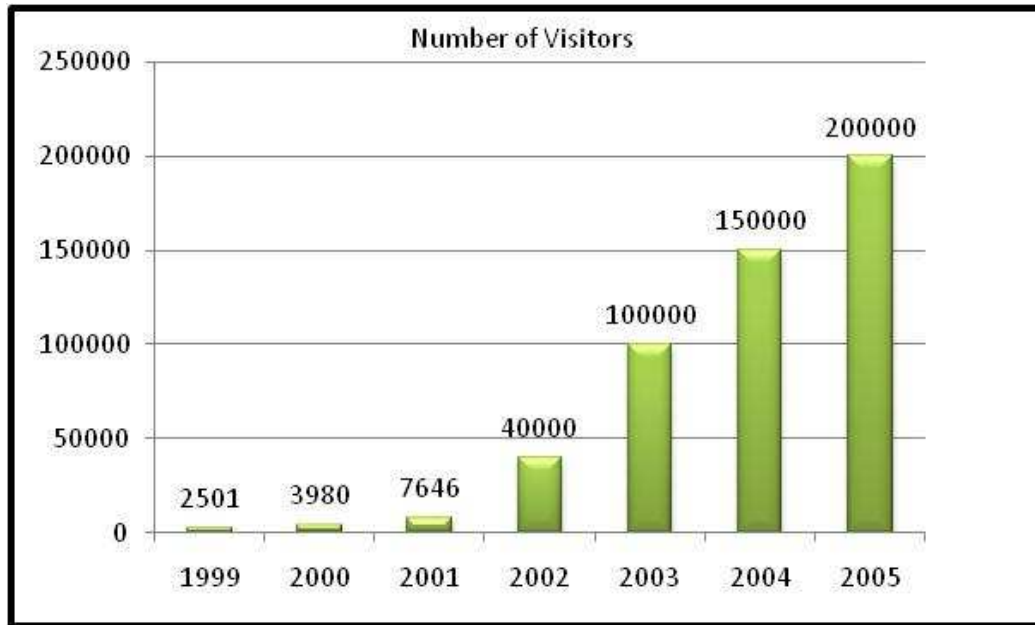
#### **Economic Effects**

Beypazarı has become an important destination in domestic tourism in a short time . Through the advertisement activities like national advertisement, festivals, fairs, and these kinds' organizations, the promotion of Beypazarı is achieved and the number of visitors, increased sharply between 2000 and 2005 years. According to mayor, this sector is the basic economic activity for the 1500 family. The number of tourism establishments and bed capacities of them have increased between the years 1999 and 2006.

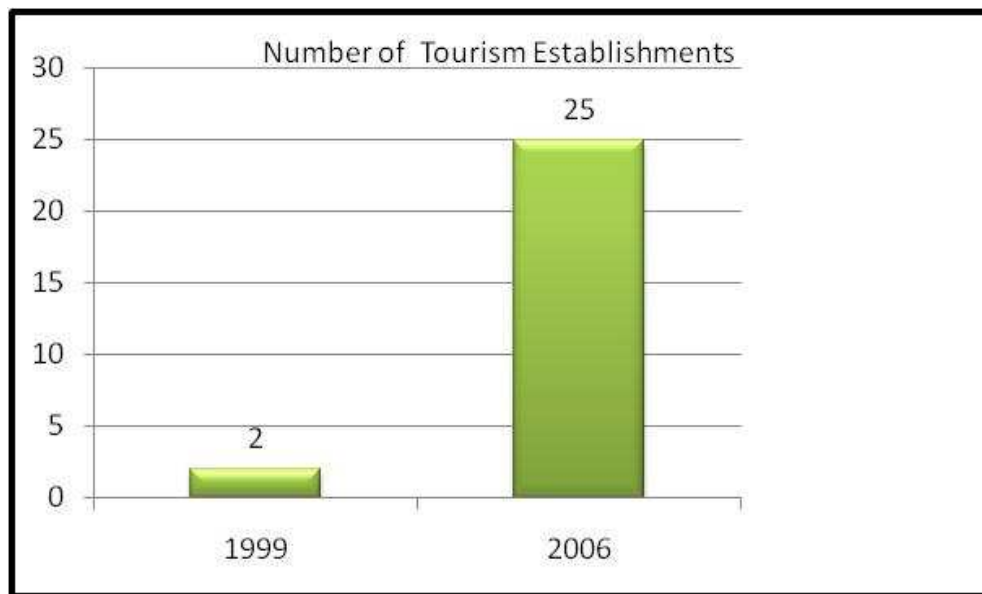
With these developments, local people started to market traditional handicrafts and foods. Especially, women in Beypazarı started to sell home made local foods to visitors. As a result, the participation of women into the economy has been obtained.



The economic value of historical houses has been increased due to restoration activities. According to mayor the values of the restored houses are at least approximately ten times greater than before.



**Figure 4.13.** The number of visitors by the years 1999 and 2005 (Source: <http://www.bey pazari-bld.gov.tr>, last accessed November, 2007)



**Figure 4.14.** The number of tourism establishments by the years 1999 and 2006 (Source: Bey pazarı Municipality archive, 2007)

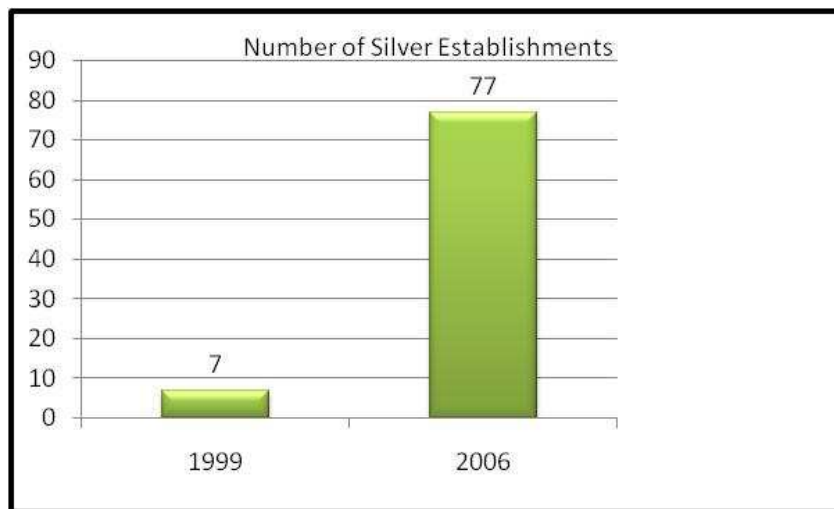
## Physical Effects

The sustainability of historical urban pattern and urban architecture in the area is obtained by this project. Exterior of 500 houses was restored in a short time. Public buildings, street furnitures, dolmus stops, transformers and even recylce bins were gained historical site appearence in order to enrich the texture. The sustainability of traditional life-style in the deprived houses has been increased through restoration and rehabilitation projects.

## Effects to the Local Identity

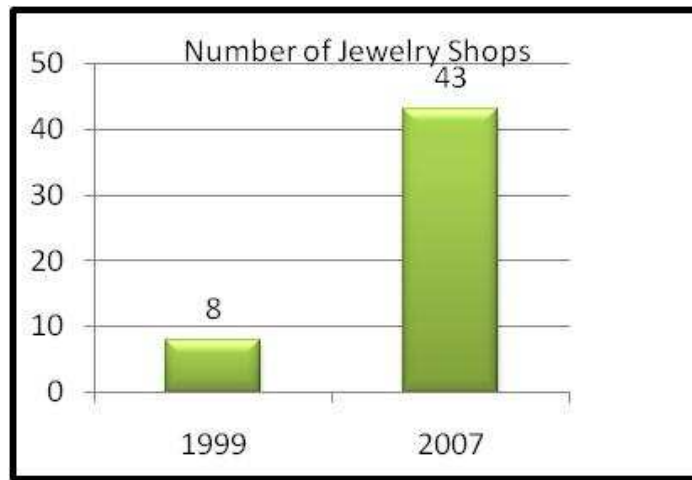
Local handicrafts had been sustained through tourism and their value has been capitalized. Because of the increased capitalized values of handicrafts, new generation has been started to work in these sectors.

Owing to the low wage and the limited marketing capacity, silver filigree had not been recognized before the LED initiative. With the development of tourism activities in the region, it became popular and the number of silver filigree shop has been rised rapidly. The workers of silver filigree had an effective role to presentation and marketing of Beypazarı silvers via participating national and international activities and taking various courses. (Beypazarı Municipality, 2006).



**Figure 4.15.** The number of silver establishments in the years 1999 and 2006 (Source: Beypazarı Municipality, 2006)

The work of a jeweler, copper work, cotton thread, artificial silk and worsted, pack saddling, are the other handicrafts in the region. With the courses organized by different local institutions, some of these handicrafts had been tried to be aroused. For the presentation of handicrafts some studies were performed. Traditional clothing had become interested items and demand for these products increased. Patent for local products including such as Beypazarı hardtrack ,casserole, carrot and silver filigree was taken by initiative of Municipality.



**Figure 4.16.** The number of jewelry shops in the years 1999 and 2006 (Source: Beypazarı Municipality archive, 2007)

#### **4.4 The Assessment of ‘Institutional Thickness’ in Beypazarı**

This part of the study operationalizes ‘institutional thickness’ concept and investigates “institutional thickness” of Beypazarı by examining each of its four constitutive features. The year 1999 is regarded as beginning year of tourism-led LED process in the analysis.

##### **4.4.1. The Assessment of ‘Institutional Presence’**

The first of the four characteristics that define the multi-dimensional institutional thickness is a strong institutional presence. This component is evaluated through both quantitative and qualitative data; and measured by four parameters: density, spatial scale, organization type and operation time.

The *density* indicator refers to the number of local organizations involved in local economic development process and with an agenda of local economic governance. The *spatial scale* of organizations’ activities can affect their commitment to local priorities and their focus of interest: whether national, regional or local. The *organization types* of institutions show diversity of institutions. The last factor, *the time in operation of organizations* is an indicator of stability of their involvement to LED process.

It can be asserted that there were many institutions that played role in LED process of Beypazarı. Institutions show different *spatial scales* or territorial dimension of activity, along the central–local spectrum. There are *local organizations* such as Beypazarı Municipality, Beypazarı Chamber of Commerce, Beypazarı District Governance and “Association of the Development and Maintaining of Culture and Tourism in Beypazarı”(ADMCTB) acting on a local scale and “Small Enterprises Development Center (SEDC) Directorate of Sincan Region - subordinate body of Small and Medium Size Industry Development Organisation (SMIDO)” acting on a determined region including Beypazarı.

There are national institutions *acting on local scale* such as vocational high schools of Ankara and Gazi University and central government *acting on national scale* such as Ministry of Culture and Tourism, Promotion Fund Committee and also acting on city scale such as Ankara Governorship. The other institutions acting on national scale are; universities (listed in Table 4.4) and The Foundation for the Promotion and Protection of the Environment and Cultural Heritage (FPPECH) and Chamber of Architects Ankara office. Also, a private organization called Park Holding *both acts national and local level* have involved in LED process.

It can be asserted that although the total number of institutions involved in LED initiative of Beypazarı is thought to be so many, when their commitment to local priorities and their focus of interest are considered, the number of local organizations is less. Also, there are not any regional organizations such as regional tourism boards, regional development agencies. From the theoretical perspective, especially the presence of local and regional organizations is significant in this factor of institutional thickness. In this context however there are many institutions including national ones, the local institutional presence is not very strong in Beypazarı in terms of number.

**Table 4.4.** Institutions involved in LED process of Beypazarı

<b>Institutions</b>	<b>Spatial Scale (Acting on)</b>	<b>Organization Type</b>
Beypazarı Municipality	Local	Local Government
Beypazarı Local Chamber of Commerce	Local	Chamber
Beypazarı District Governance	Local	District Government
Ankara University Beypazarı Vocational High School	Local	Public University
Gazi University Beypazarı Vocational High School	Local	Public University
Association of the development and maintaining of culture and tourism in Beypazarı (ADMCTB)	Local	Non-governmental Organization
Sincan Directorate of Small Enterprise Development Center (SEDC)	Local	Subordinate organization of central government
Park Holding	National	Firm
Ankara Governorship	City	Central government
Committee for Conversation of Cultural and Natural Heritage	Regional	Autonomous committee (connected to central government)
Ministry of Culture and Tourism	National	Central government
The Foundation for the Promotion and Protection of the Environment and Cultural Heritage (FPPECH)	National	Non-governmental Organization
Promotion Fund Committee	National	Central government
Middle East Technical University	National	Public University
Chamber of Architectures Ankara office	City	Chamber
Istanbul Technical University	National	Public University
Mimar Sinan University	National	Public University
Yıldız Teknik University	National	Public University
Trakya University	National	Public University

When the type of institutions is considered in Beypazarı, there is a variety of organization types such as local authority, central government, universities, vocational schools, chambers and non-governmental organizations. Especially, there is a high contribution of universities and non-governmental organizations. This is evident that, diversity of institutions exists in Beypazarı in a considerable level. However, there are no development agencies, innovation centers or marketing boards.

A crucial point within this component of institutional thickness is the operating time of these institutions in LED process. It can be asserted that local organizations are contributing to LED process continuously. Especially, local government as an initiator of the process is supplying the continuity too. The number of local organizations has increased by partially during the time such as the establishment of ADMCTB and some of the departments in vocational high schools.

Same continuity is not valid for universities and non-governmental organizations acting at national scale, and for some of central government institutions. They have contributed to LED initiative initial years and then their role has decreased. In one interview, the representative of a non-governmental organization acting at national level (FPPECH) specified;

“Beypazarı had achieved a noteworthy progress and have become self sufficient. Therefore, support is not as necessary as before. But if there will be any requiring for us, we support.”

This situation can depend on the reality that these institutions have contributed to LED process by demand of local government. It can be asserted that these institutions have an incubator role. They had a role in first acceleration for local development in the sense of cooperation with municipality and involved in process. However when the region started to develop and the positive effects of local development attempt were observed, they have had their support back out by and by.

#### 4.4.2. The Assessment of ‘Interactions between Institutions’

The interactions between the organizations and their attitude to regular formal and informal contacts is measured through three indicators: the themes or issues for which interaction takes place, the type of interaction (such as whether it is formal or informal, co-operation or regular contact or information exchange), and the last one is the continuity of these interactions.

In Beypazarı institutional interaction takes a variety of different forms, both formally and informally such as common projects, common policy-making, direct official contacts, information exchange, advice, administering grant aid and funding. There is one formal partnership - ADMCTB- whom members are tourism establishments in Beypazarı. The interactions emerge between the variety of organizations such as local authority, universities, non-governmental organizations, central government, chambers, and unions.

Local authority plays a mediator role between these organizations. As the initiator of tourism-led LED process, municipality persuaded different stakeholders for co-operation. The mayor played vital role by persuading both organizations and local people in this process. In one interview the mayor said that;

“Most of the initiatives for Beypazarı have done by persuading and sometimes compelling of me. As I was believed in this project, I tried to persuade people to believe in it. As a result, they have been a part of collaboration”.

Collaboration for economic development in Beypazarı was structured around eight main issues: urban improvement and regeneration, promotion, business support, training and skills development, technical orientation, tourist guiding, provision of infrastructure and controlling. The organizations were collaborating with one or more other organizations around these issues in specific times. The continuity of these co-operations changes according to different cases. Some of them were *ad-hoc* (took place for one-time or temporarily and for a specific purpose) interventions, some of them are continuing and some of them has weakened during the time.



**Table 4.5.** Interactions between Institutions

Interaction Issues	Institutions	Interaction type
Restoration	-Beypazarı Municipality -Park Holding	Continuing Co-operation Irregular contact
	Foundation for Solidifying Justice Ankara Police department Beypazarı Municipality Gendarmerie Headquarters Nature Association	Ad-hoc intervention
Promotion and marketing	-Beypazarı Chamber of Commerce -SEDC	Common Project Regular contact
	-Beypazarı Municipality -ADMCTB -Beypazarı District Governance	Regular Contact
Business support	-SEDC -Beypazarı Chamber of Commerce -Beypazarı Municipality	Continuing Co-operation Regular contact
Training and skills development	-Beypazarı Municipality -ADMCTB	Continuing Co-operation Regular contact
	-Ministry of Culture and Tourism -Beypazarı Municipality -Beypazarı District Governance	Continuing regular contact
	-Beypazarı Chamber of Commerce -Beypazarı Municipality -Beypazarı District Governance	Continuing Co-operation Regular contact
	-Gazi University Beypazarı Vocational School -Beypazarı Chamber of Commerce -SEDC	Continuing Co-operation
	-Ankara University Beypazarı Vocational School -Beypazarı Chamber of Commerce -SEDC	Ad-hoc intervention
Technical orientation	-Beypazarı Municipality -FPPECH -UHT	Ad-hoc co-operation Irregular contact
	Middle East Technical University Istanbul Technical University Beypazarı Municipality Mimar Sinan University Yıldız Teknik University Trakya University	Ad-hoc co-operation Irregular contact
Tourist Guiding	-Beypazarı Municipality -ADMCTB -Ankara University Beypazarı Vocational School	Continuing Co-operation (Not very efficient)
Provision of infrastructure	-Beypazarı Municipality -SEDC -Beypazarı Chamber of Commerce	Ad-hoc Co-operation Irregular contact
	-Beypazarı Municipality -Ankara Special Provincial Administration	Ad-hoc Co-operation Irregular contact
Control of establishments	-Beypazarı Municipality -Beypazarı Chamber of Commerce -ADMCTB -Other chambers in Beypazarı	Continuing Co-operation Regular contact

The co-operation that took place around urban improvement and regeneration was mostly between local authority, private sector and local people. As mentioned in previous part, Park Holding that has a mission of supporting social projects gave financial support for restoration of 100 houses in 1999. Municipality was initiator within this process, too. In this respect, the mayor said;

“There was no financial resource that we could use for restoration. So, I requested for financial support from Park Holding and they accepted. They gave financial support for restoration of 25 houses initially but they were not so conscious about the project. When they saw these restored houses, they were very pleased; they realized the significance of project and decided to offer more support”

When the continuity of this co-operation between private sector and local authority is considered it can be asserted that it is continuing but has weakened during the time. In fact, it initiated the LED process by implementing restoration activities, a time later, when positive effects were started to be seen, local entrepreneurs and local people undertook this activity. Direct contacts have not finished between this firm and local government. This firm is giving financial support for restoration of a burned historical house now.

Local authority cooperated with universities (listed in table 4.5) and non-governmental organizations such as FPPECH and UHT for technical orientation. Technical support for restoration was provided from these institutions. This was *ad-hoc* cooperation that took place temporarily and for a specific purpose and it has weakened during the time.

Another cooperation about restoration issues took place between local authority and different institutions as Foundation for Solidifying Justice, Ankara Police department, Beypazarı Gendarmerie Headquarters and Nature Association. Local government allocated one historical house to the each of these institutions for restoration. Some of them had started to restore the houses; some of them have not yet started to restoration.

SEDC that has a major role of training, consultancy, business support and promotion, is in a co-operation with chamber of commerce, municipality and universities in Beypazari. In addition to these, it has a significant role as supporting entrepreneurs by organizing training courses aimed at 'entrepreneurship'. In these courses, training and consultancy are supplied to all clients; both entrepreneurs and those who want to build up a business.

In coordination with chamber of commerce, SEDC takes SMEs to international fairs and countries in order to see different production processes. One of these trips was directed towards 'carrot packaging' whereupon one entrepreneur designed a machine for carrot packaging. In conjunction with municipality, a financial support was supplied to a few firms in Beypazari. Also, a 'common workshop for timber drying' was constructed with municipality a few years ago.

Beyond these collaborations, there was a significant common project both SEDC and chamber of commerce had contributed.. It was a project prepared in the context of 'EU 6th Frame Program', aimed at 'supplying accessibility of local cultural products to global markets'. The project had 13 partners from Turkey and Spain including information technology specialists, chambers of commerce and handicraft SMEs. From Turkey, Beypazari chamber of commerce and a handicraft SME (silver filigree) working in Beypazari had contributed to project as a partner.

Within the context of this project; activities, working processes of SMEs, and their needs were analyzed by focusing on e-businesses applications and services. A web portal had been designed which shows all local potentials of Beypazari; historical and natural sites, tourism establishments and handicrafts SMEs. In addition to this, portal aims to enable local producers market their products, and enable tourism establishments make reservation.

In this sense, this project is significant as being pilot in EU projects as well as being precedent for other regions in Turkey. It aids marketing of local potentials of Beypazari to global markets and increases competitiveness of local firms in the Internet Age. In this context, it can be asserted that, SEDC and chamber of

commerce have important roles in business support. In the compatible with this, it can be offered that there is a '*collective support for individual agents*' in Beypazarı.

There is continuing cooperation between vocational schools of universities, SEDC and chamber of commerce. SEDC and chamber of commerce give support for students of universities in Beypazarı in terms of reaching business environment, finding employment and training (entrepreneurship courses). They take the students who are attending 'jewellery design' department in university and their design works to fairs and organizations aimed to promotion of Beypazarı. Through these promotion organizations, meeting of students with business environment is provided, at the same time promotion of local handicraft products is ensured.

There is a limited cooperation between local tourism sector and universities in Beypazarı. The students of 'tourism and hotel management' department guide tourists in their free times and municipality pays wage to them. In this context, it can be asserted that there is collaboration between local government and the university. On the other hand, the students of 'jewellery design' department have not close contact with local handicrafts industry in terms of sharing new jewellery models or working with them after graduation. It can be claimed that despite the university cooperates with 'industry support organizations' effectively as mentioned above, it has a weaker cooperation with local industry.

ADMCTB which established in 2004 (during LED process) by the effort of mayor, emerged as a formal partnership of tourism establishments in Beypazarı. It has many different roles as promotion and marketing of Beypazarı, training both local people and entrepreneurs about hosting, tourist guiding. It arranges regular meetings in order to discuss sector-specific problems and try to produce solutions for them. Also, with the participation of chamber of commerce and mayor, *a common price for selling of tourism products* is determined in these meetings.

This price is unit price determined for local handicrafts as silver filigree, traditional and local home-made foods and accommodation. All of establishments and people selling on stalls should obey this price. ADMCTB has a role in controlling of the

establishment about application of this price with sales. Because of the fact ADMCTB consists of establishments, it can be asserted that there is an otocontrol mechanism on this issue. There is a strong consensus about this issue and people mostly obey this price willingly. In this context, it can be claimed that there is a strong cooperation between tourism establishments both among themselves and with mayor based on mutual trust.

This strong cooperation can be consequence of the fact that the mayor has supported local entrepreneurs and all of the tourism sector entrepreneurs are local in Beypazarı. The mayor believes that Beypazarı is not ready yet for the entrance of foreign investors to the region. According to him majority of local entrepreneurs increases the contribution of tourism to local economy more. Also, it helps adapting of local people to tourism easily and facilitates consensus between firms. At the same time it has advantages in terms of local participation and local commitment to tourism. However it causes to certain disadvantages in terms of reaching global markets or applying new technologies in tourism sector.

There is a ‘continuity problem’ with certain collaborations taking place in Beypazarı. There are two sides of this matter. The first one is related with conflicting of local government and central government. According to mayor, previous central government (district governance) did not provide support for LED initiative. He asserted;

“There was a friction between local government and previous district governance. They did not support the initiatives of municipality. Therefore, it can not be said that our relations was based on relations of mutual trust. They were an obstacle rather than complementary. Therefore some projects could not be applied.”

This situation causes to ‘a continuity problem’ in terms of collaboration as well as policy applying. Moreover, it causes to bureaucratic barriers in applying projects.

It can be declared that, the situation that municipality is the focus of these co-operations causes a continuity problem, either. The representatives from both two vocational high schools mentioned a requirement for institutionalization for sustaining LED. In the words of one interview;

“Most of the initiatives are coordinated by municipality; it has a mission of local development rather than its routine duties. If the mayor changes what will happen? So, there should be *institutionalization* in order to sustain this development.”

#### **4.4.3. The Assessment of ‘Power Structure of Institutions’**

An insight into the third feature of institutional thickness is the relative power of the various local organizations, in other words local power structures. Formal competencies can be significant indicator of the *potential power* of organization. It includes financial capacity, authorization and licensing powers, local accountability, and financial independence from external factors. Also, the role of institution in providing and distributing funds to other organizations is another factor in this feature.

In Beypazarı local organizations have different power structures in terms of their financial resources and authorization. Organizations such as Beypazarı Municipality, Beypazarı District Governance and SEDC are well endowed with resources, clear institutional roles. Between these, municipality emerges as a core institution in terms of financial capacity. On the other hand, institutions such as ADMCTB, chamber of commerce has less financial capacity.

In terms of organizational and financial independence from external factors; municipality, SEDC, chamber of commerce and ADMCTB can be exemplified. Especially, SEDC has different financial resources such as its emoluments and EU and World Bank resources. The others also have autonomous budgets.

It can be asserted that among local organizations in Beypazarı, municipality is a core institution in terms of power. It has competencies in most of the policy areas relevant for LED such as job generating, urban regeneration, land use issues, and, more significantly, shows the ability to work in partnership. It was a pioneer of the partnership approach; it had a seat in many of the local partnerships.

Beypazarı District Governance has dominance over many institutions in terms of public service. However it has less dominance on the issue of policy making related to economic development. Likewise vocational schools of universities in Beypazarı are less dominant relatively in terms of policy making.

There is local accountability of institutions to some extent in Beypazarı. Chamber of commerce, municipality and ADMCTB have control mechanisms which composed of their members. The budgets and annual reports of these organizations have to be approved by their members. Likewise municipality has to be controlled by municipal committee and its policy statement has to be approved by this committee.

#### **4.4.4. The Assessment of ‘A Common Local Agenda’**

As mentioned in theoretical framework, ‘the mutual awareness of a common enterprise’ can be defined as a *common held agenda or goal*. In this respect, the existence of a clear and shared local identity and local priorities is important.

The goals of institutions aimed at Beypazarı are mostly related to their institutional roles and responsibilities. In other words, they define their ‘Beypazarı oriented agenda’ from their organizational mission’s point of view. For instance, while the goal of FPPECH is to preserve cultural heritage in Beypazarı, SEDC aims to contribute to LED.

Tourism-led LED is mostly part of local institutions’ agenda. It can be identified as a commonly held agenda between most of the local organizations with different emphasis. Especially, it is viable for local organizations such as municipality,

ADMCTB, universities and firms. While they are listing their objectives related to Beypazari, tourism takes place in most of them.

In this context, it can be asserted that there is a shared local identity to a degree that Beypazari is commonly seen as a region developing with tourism. In particular, firms support this vision strongly. They consider that the objectives of tourism development in region are accepted as a social consensus. In other words, this is crucial for being successful of the development process of Beypazari. In the words of one interview;

“Tourism development is fatal for Beypazari now. There is a local commitment about this issue under the leadership of mayor and everyone is working for this.”(The owner of a tourism establishment in Beypazari)

Municipality that identified the need for the repositioning of district is the main institution both creating and sharing this vision. Especially, mayor designed his agenda of local development of Beypazari with reference to tourism. He works for this goal rather than fulfilling routine duties of municipality. In one interview, he said:

“I work for job generating, marketing and promotion issues beside the routine duties of municipality. Therefore, people sometimes think that there is a decrease in municipality services such as supplying infrastructure,”

ADMCTB, is another institution sharing the goal of tourism development. In fact, it was established for this purpose. The organization that established with initiative of the mayor aims to contribute to sustaining of the local culture and tourism development.

SEDC considers its goal for Beypazari as a part of regional development. It sees the development of Beypazari in a regional context and it aims at LED. With reference to its institutional mission, it aims at LED based on agriculture and industry in



addition to tourism. Although it is not clearly defined, chamber of commerce has an objective of diversification of local economy and the strengthening of the local service sector, too.

National government such as Ministry of Culture and Tourism, also, has a goal of tourism development. With regards to this, Ministry of Culture and Tourism started to preserve cultural heritage in Beypazari as a consequence of its institutional mission. Besides, FPPECH has a goal of preserving cultural heritage in Beypazari as a consequence of its mission, while another non-governmental organization, Chambers of Architects has no determined goal related to Beypazari.

Finally, all these goals mentioned above reflect the approaches of institutions that are oriented towards Beypazari. However, they are not written or presented as policy documents giving details on objectives, strategies, policies and financial organization of the institution. Only municipality presents its goals and objectives to public opinion as written documents (brochures), although these documents are not formal papers including an elaborate action plan.

#### **4.5. General Evaluation of Case Study**

Beypazari that experienced tourism-led LED has some clues for institutional thickness in terms of local governments' role in promoting institutional thickness by achieving local collaboration. LED initiative had started under the leadership of local authority collaborating with many institutions. In the scope of this LED initiative, a project was developed including conservation and restoration of the historical pattern, sustaining the traditional handicrafts, conservation of natural values and protecting and keeping alive local language, and local culture.

As the model evolved, both local authority and community realized that tourism can be an important tool in achieving local development and the restoration project turned into an economic development initiative focused on tourism. In a short time, a

considerable amount of traditional houses were restored and weekend visitors from major cities, particularly from Ankara have started to visit Beypazarı.

Mayor had crucial role in this process by persuading local people for the necessity of restoration. The restored houses were transformed to tourism establishments by these local people. In this context, it can be assumed that local entrepreneurship increased with the support of mayor. The transaction that was driven by tourism sector enhanced entrepreneurship of other sectors. There were attempts to develop organic agriculture activities and local industry, rehabilitation of physical environment and social structure, training oriented to entrepreneurs and producers.

During this process, the participation of women into economic activity was obtained. With increasing tourism demand to the region, they started to prepare and market local home-made products and make a livelihood by home pensions. As the revenue from these tourism activities increased, the awareness and willingness of people for tourism development increased.

There were many institutions that played role in LED process of Beypazarı. They show different *spatial scales* or territorial dimension of activity, along the central–local spectrum. Although the total number of institutions involved in LED initiative of Beypazarı is many, when their commitment to local priorities and their focus of interest are considered, it is less in terms of the number of local organizations. Also, there are not any regional organizations such as regional tourism boards, regional development agencies. From the theoretical perspective, especially the presence of local and regional organizations is significant in this factor of institutional thickness. In this context however there are many institutions including national ones, the local and regional institutional presence related to Beypazarı is weak.

There is a variety of organization types such as local authority, central government, universities, vocational schools, associations, chambers and non-governmental organizations. This is evident that, diversity of institutions exists in Beypazarı into some extent. Especially, there is a high contribution of universities and non-governmental organizations. However, there are no development agencies, innovation centers or marketing boards.

It can be asserted that local organizations are contributing to LED process continuously, especially, local government as an initiator of the process, is supplying the continuity. Same continuity is not valid for universities, non- governmental organizations and the institutions from central government acting at national scale. It can be asserted that these institutions have an incubator role. They had a role in first acceleration for LED in the sense of cooperation with municipality and involved the process, however when the region started to develop and the positive effects of LED initiative were observed, they had their support back out by and by. In this frame, institutional diversity, that is powerful early on, has been weakened during the time and it can be concluded that institutional diversity exists in partial now.

In Beypazarı institutional interaction takes a variety of different forms, both formally and informally such as common projects, common policy-making, direct official contacts, information exchange, advice, administering grant aid and funding. There is one formal partnership - ADMCTB- whom members are tourism establishments in Beypazarı. The organizations are collaborating with one or more other organizations around these issues in specific times. The continuity of these co-operations changes according to different cases. Some of them were *ad-hoc* (took place for one-time or temporarily and for a specific purpose) interventions, some of them are continuing and some of them has weakened during the time.

Local authority plays a mediator role between other organizations. As the initiator of tourism-LED process, municipality persuaded different stakeholders for co-operation. The mayor played vital role by persuading both organizations and local people in this process. It can be declared that, being of municipality in the focus of these co-operations causes a *continuity problem*. Therefore, in some institutions there is a perception of necessity of ‘institutionalization’ for sustaining LED process.

Collaboration between SEDC and chamber of commerce has significance in order to create a ‘collective support for individual agents’. The interaction between these institutions is taking place on the issue of business support and consultancy. It helps to increase the competitiveness of local firms and to supply accessibility of local cultural products to global markets.

It can be asserted that among local organizations in Beypazarı, municipality is a core institution in terms of power. It has competencies in most of the policy areas relevant for LED such as job generating, urban regeneration, land use issues, and, more significantly, had shown the ability to work in partnership. Furthermore, it was a pioneer of the partnership approach; it had a seat in many of the local partnerships. In terms of organizational and financial independence from external factors; municipality, SEDC, chamber of commerce and ADMCBT can be exemplified. Especially, SEDC has different financial resources such as its emoluments and EU and World Bank resources.

In Beypazarı, tourism-led LED is mostly part of local institutions' agenda. It can be identified as a common held agenda between most of the local organizations with different emphasis. Especially, it is viable for local organizations such as municipality, ADMCBT, universities and firms. In this context, it can be asserted that there is a shared local identity to a degree that Beypazarı is a region developing with tourism. In particular, firms support this vision strongly. They consider that the objectives of tourism development in region are accepted as a social consensus.

## CHAPTER 5

### CONCLUSION

Over the last two decades tourism has become a more prominent part of LED regarding to global economic restructuring. In global economic restructuring it can be asserted that the major impact at the scale of local economies is the necessity to foster international and local competition. Competitiveness became an important factor in achieving economic development. In order to be competitive in a global era localities had to adapt new process technologies, and new flexible systems of work organization, and shift towards flexible production systems. During the 1980s and 1990s many urban economies have been dramatically transformed with the decline of traditional manufacturing centers and the growth of new service-based activities. It is realized that service-based activities can replace the declining manufacturing activities and be a promoting growth sector.

In these conditions, tourism as a service sector was seen as a viable strategy to sustain economic development for local economies in terms of job creation and enterprise development and was realized as a window of opportunity for the renewal of many urban economies that were in decline. On the other hand, it has widely recognized as an effective way of attracting new investments in order to supply *competitiveness* of the region.

Many regions have achieved tourism-led LED and it has emerged particularly in industrial cities, as based on urban tourism. For example, many industrial cities in Britain such as Sheffield, Birmingham, Wigan, Bradford, Liverpool, Glasgow or Manchester have sought to become tourism destinations. Throughout the 1990s interest in the opportunities for tourism-led economic development spread beyond Western Europe and North America into urban Australia, New Zealand, Singapore and Hong Kong. At the close of the 1990s the wave of tourism-led initiatives for economic development was spreading into South Africa.

With regard to these experiences of tourism-led LED, a number of success factors were driven from the investigation of many researchers on them. '***Institutional thickness***' which intensively discussed in literature of LED in recent years was one of the common factors defined in many studies as a key dynamic in tourism-led LED.

The 'institutional thickness' concept that introduced by Amin and Thrift (1994) was a part of institutional turn in economic geography. It emphasizes the social context of economic life and researches how social and institutional conditions shape local development prospects. It was discussed in order to understand how global-local interactions are locked together at the institutional level and it emphasized the importance of institutional environment for LED.

Amin and Thrift (1994) defined 4 non-economic factors as constitutive elements of institutional thickness. They are; ***strong institutional presence***, which refers to the range of institutions within a specified area organizing a variety of practices; ***high levels of mutual interaction*** referring networking and interaction between institutions which includes the form and regularity of contacts; ***structures of power, domination and control***, which help to ensure coalition building and collective representation; and ***a common purpose/agenda*** in order to establish effective networks.

Institutional thickness has significant role for organization of tourism and understanding how the production of local destination identity takes place. Organizations at different scale (local, regional and national) including public, private or non-profit ones work in order to increase the competitiveness of a tourism destination. The pooling of resources at each of these spatial scales strengthens the product base and permits the establishment of distinctiveness and competitiveness. Therefore, institutional thickness helps to reassert local distinctiveness and production of local destination identity.

The formal and informal institutional environment in which tourism planning and policy-making occurs varies spatially and temporally. All of the institutions in

different scale work to develop different aspects of tourism in a destination and complement with each other. In this context, the diversity of them both in terms of scale and organization type is important. Therefore, first constitutive feature of institutional thickness - *strong institutional presence* is vital for development of a local tourism destination. At the same time, - *inter-institutional interaction* - interactions between local governments, local tourism associations, the regional tourism organization and operator/producer groups, national organizations are necessary for tourism development.

Another element of institutional thickness ‘a *local common purpose*’ is significant for tourism development. Firstly, recognition of tourism as a priority for local institutions and reflecting this into their action plan or policy making is important. Secondly, overlapping of interests of local tourism industry (tourism establishments, tour operators, travel agencies etc.) is necessary for obtaining tourism development

More than 10 years after its introduction, it is clear that the theoretical concept of institutional thickness can still provide relevant insights. *In the scope of this thesis*, a method for an empirical investigation of institutional thickness with reference to its four constitutive elements has been developed in order to assess it in Beypazarı case.

In order to assess institutional thickness in Beypazarı, interviews had been carried out with the representative of institutions related with LED process of Beypazarı. Those whom interviewed with were mostly in managerial positions as mayor, chairman or director of the institution. The questions asked during the interviews the determined and derived from the issues related to ‘institutional thicknesses discussed in the theoretical chapter. They were aimed to analyze tourism-led LED process of Beypazarı by assessing;

- Institutional presence (the diversity and density of institutions...etc)
- how extent these institutions cooperates with each other,
- whether there is a local common agenda related with LED
- power structure of these institutions.

With the results of this research it can be asserted that, Beypazarı which achieved tourism-led LED has some clues for institutional thickness in terms of *local governments' role in promoting LED by achieving local collaboration*. Beypazarı case is different from other international experiences of tourism-led LED, because it has *improved its local economy through tourism rather than regenerating it*. It showed a noteworthy progress in terms of LED since the year 1999 which local government initiatives had started and tourism activities had emerged. The year 1999 was regarded as beginning year of LED initiatives in the study.

In the scope of this study, it can be claimed that institutional thickness in Beypazarı exists to some extent. In terms of '*strong institutional presence*' which identified as a factor of institutional thickness hardly necessary one; it can be asserted that the region has a lack of institutional presence. Although the total number of institutions involved in LED initiative is many including considerable amount of national ones, when their commitment to local priorities and their focus of interest are considered, it is observed that local institutions are less. Also, there are not any regional organizations such as regional tourism boards, regional development agencies. In terms of diversity, it is relatively stronger so that it includes variety of institutions such as local authority, central government, universities, vocational schools, associations, chambers and non-governmental organizations. Therefore, this factor of institutional thickness is observed less relatively to others.

It can be asserted that local organizations are contributing to LED process continuously such as local chamber of commerce, vocational schools of universities in Beypazarı (Gazi and Ankara University), SEDC (General Directorate of Sincan) and ADMCTB. Especially, local government as an initiator of the process is supplying the continuity. Same continuity is not valid for universities (listed in detail in previous chapter), non- governmental organizations (FPPECH) and central government acting at national scale.

When the second factor of institutional thickness *-high levels of mutual interaction between institutions-* is analyzed in Beypazarı, it can be claimed that institutional interaction takes a variety of different forms, both formally and informally such as



common projects, common policy-making, direct official contacts, information exchange, advice, administering grant aid and funding. In terms of formal partnership, there is a local association (ADMCTB) that emerged after LED initiative in Beypazarı. Cooperation between institutions is structured around eight main issues: urban improvement and regeneration, promotion, business support, training and skills development, technical orientation, tourist guiding, provision of infrastructure and controlling.

Local government is common institution between these collaborations and mayor is initiator of most of them. Tourism-led LED initiative had been started under the leadership of local authority by a restoration project. The mayor realised heritage potential of Beypazarı and collaborated with many organizations at different scales in order to regenerate historical pattern and implement the restoration project. Returning to theoretical frame of tourism-led LED, it can be claimed that local government played very significant role in *production of local destination identity* and promoted visitor attraction to the region.

The key aspect in here was the coincidence of private sector interest and/or willingness to enact heritage projects in partnership with local authority with a commitment to heritage tourism; other agencies with enthusiasm. Strong partnership approach, especially between private sector and local government was the key catalyst for funding heritage tourism in Beypazarı.

Local authority collaborated with non- governmental organizations related with heritage tourism and universities to get technical support for restoration. These initiatives yield results in a very short time and a considerable amount of traditional houses were restored and weekend visitors from major cities, started to come to Beypazarı. As these positive effects had to be seen, both local authority and community realized that tourism could be an important tool in achieving LED and *the restoration project turned into an economic development initiative focused on tourism.*

This cooperation between local authority and universities and non-governmental organizations has weakened during the time. It can be asserted that these institutions had an incubator role. They had a role in first acceleration for local development in the sense of cooperation with municipality and involved the process, however when the region started to develop and the positive effects of local development attempt were observed, they have had their support back out by and by.

Another cooperation that took place between SEDC and local chamber of commerce has significance in order to create a '*collective support for individual agents*' which is the aim of institutional thickness. The interaction between these institutions is taking place on the issues of business support, consultancy and marketing. Common projects of these institutions help to increase the competitiveness of local firms and supplying accessibility of local cultural products to global markets.

These institutions have in contact with both local authority and universities in Beypazarı, too. They have regular cooperation with local authority on the issue of training and skills development and business support. They arrange courses for local firms, attend the international fairs with local entrepreneurs. Also, they give support for students of universities in Beypazarı in terms of reaching business environment, finding employment and training (entrepreneurship courses).

There is a limited cooperation between local industry and universities in Beypazarı. It can be claimed that despite the university cooperates with 'industry support organizations' effectively as mentioned above, it has a weaker cooperation with local industry.

The entrepreneurship of local people, promoted by mayor, was a key factor in process of tourism-led LED in Beypazarı. The mutual trust and cooperation between the mayor and the local people had an important role in initiating the restoration process. The mayor assured a group of local people to restore their houses and to put in a commission of these houses as a tourism establishment. He came forward as surety for the local entrepreneurs in funding of restoration. Then, this small number of local entrepreneurs accepted to restore a historical house and to convert it into a

tourism establishment without estimating possible profit or loss. In this respect, the key point in here is *mutual trust* between the leadership and the local entrepreneurs, *local commitment* and a strong *local entrepreneurship*.

Participation of women into economic activity of the region was observed during this process. They were preparing and marketing local home-made products and making a livelihood by home pensions, with increasing tourism demand to the region. As the revenue from these tourism activities increased, the awareness and willingness of people for tourism development has increased. In this context, it can be claimed that high degree of *woman entrepreneurship* and labor force was observed in Beypazarı.

Increased level of entrepreneurship in tourism sector enhanced entrepreneurship in other sectors. There were attempts to develop organic agriculture activities, local industry, physical environment, and education oriented to entrepreneurs and producers. Therefore it can be asserted that tourism-led LED of Beypazarı was not only composed of the revenues from tourism related sectors, it affected the other economic sectors in the region positively.

These tourism-led LED initiatives showed results in a very short time. The short term effects were obtained in terms of job creation, enterprise development, improvement of physical resources. A sharp increase in the number of tourism establishments, the bed capacity of them, the number of local handcraft shops, employment in tourism sector and the value of historical houses emerged.

One challenging point related with Beypazarı is that *all of the tourism sector entrepreneurs are local* in Beypazarı. It can be consequence of the fact that the mayor has supported local entrepreneurs, not foreign ones. Despite this situation helps adapting of local people to tourism easily, facilitates consensus between firms and increases local participation and local commitment to tourism, however it causes to certain disadvantages in terms of reaching global markets or applying new technologies in tourism sector. Tourism establishments in Beypazarı should increase their competitiveness by adapting new technologies and increasing their service

quality. Therefore, *learning process and innovative capacity* of the region should be developed. Institutional thickness is necessary factor for this learning process.

This thesis has provided evidence for the *prominent role of local government* in Beypazarı, especially mayor, in order to promote institutional thickness in spite of a *lack of institutional presence*. Local authority promoted the development of a common local agenda in the region and initiated cooperation with the other institutions and it was the biggest local organization in terms of power structure between the local institutions. Also, it contributed to the establishment of new local institutions.

The *mayor played a very significant role* in this scenario. He focused on delivering a development agenda which has remained at the centre of events and collaborated with the institutions who embraced broadly the same vision and worked towards the same objectives. As the initiator of tourism-LED process, municipality persuaded different stakeholders for co-operation and the mayor played vital role by persuading both organizations and local people in this process.

The situation that municipality and especially the mayor is major actor of these co-operations causes a '*continuity problem*' in Beypazarı in terms of local development. There is a local concern in terms of sustaining of LED related to the case of changing of mayor.

In this context, there is a necessity of *institutionalization* process, in order to sustain LED. The analysis indicates that this process has already started to some extent in Beypazarı. Certain forms of cooperation based on mutual trust (mostly *ad-hoc* and municipality focused) already exist in Beypazarı and it can be claimed that these *ad-hoc* interactions of different institutions have been becoming regular contacts in the time. It can be asserted that despite Beypazarı achieved tourism-led LED with a lack of institutional presence and limited institutional thickness, in order to sustain LED it should enhance institutional thickness.

Returning to theoretical frame suggesting that institutional thickness is not only cause but also an outcome of LED, it can be claimed that tourism-led LED of Beypazarı causes to;

- newly emerged local institutions related with tourism development (ADMCTB and departments of universities related with tourism)
- the ability to extend trust and reciprocity
- the sense of a widely held common project

Based on the findings of this research, it is possible to make a number of key principles for the future tourism-led local economic development initiatives:

- Strong commitment of local authority to tourism-led LED
- Good leadership
- Cooperation based on mutual trust between different type of institutions:
  - local government
  - central government
  - regional authorities
  - universities
  - non-governmental organizations
  - firms
  - chamber of commerce and industry
  - business support organizations
  - marketing boards
- Public - private sector cooperation
- Local commitment /community participation for tourism-led LED
- Local entrepreneurship
- Common purpose/agenda related with tourism
- Preparing an action plan with well defined strategies and policies
- Defining performance indicators and developing an effective monitoring process
- Entrepreneur support
- Specialization in tourism sector
- Training and skills development

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## **APPENDIX A**

### **INTERVIEW QUESTIONS**

- 1) Name of Institution:
- 2) Establishment Year :
- 3) a) Private                      b)Public
- 4) a) Local                      b)Regional                      c)National
- 5) Field of activities and service areas of institution:
- 6) Is there an objective or agenda of the institution relating with LED of Beypazarı?  
  
If there is, please explain.
- 7) Relative to Beypazarı;  
  
Does the institution co-operate with other organisations? (Formal or Informal)  
  
If there is, what is the type of this co-operation? (Managing common projects or a formal cooperation or a informal cooperation at the basis of common aim and trust?
  - a. In which fields does it exist?
    - i. Advertising,marketing
    - ii. Infrastructure
    - iii. Restoration
    - iv. Education
    - v. Support of business services
    - vi. Technical Direction
    - vii. Other ?



- b. Shared roles and responsibilities?
  - c. When and how often?
  - d. How long will the cooperation continue?
- 8) Are there any institutions which information exchange realizes with?
  - a. If there is, in which fields ?
  - b. When and how often?
- 9) Is there an organisation auditing the works of institution?
- 10) Does the institution have activity report? Monthly or annually?
- 11) How much is the institution's short and long term budget?