The mechanism of municipal public-private partnership as a driver of ethnic tourism development in the Krasnodar territory

Elena Klochko1,*, Lidia Kovalenko1, Bekmurod Ollanazarov2, Abdulajon Mirzaev3 and Bakhodir Ruzmetov2

1Kuban State Agrarian University named after I.T. Trubilin, Kalinina street, 13, 350044, Krasnodar, Russia
2Urgench State University, Kh.Alimdjan Street, 14, 220100, Urgench, Uzbekistan
3Fergana State University, Murabbiylar Street, 19, 712000, Fergana, Uzbekistan

Abstract. The purpose of the present research is to study the potential for ethnic tourism development in the Krasnodar Territory and to identify the ways of enhancing the quality of operation of the tourist industry in the region through the mechanism of municipal public-private partnership. Methodology: the research is based on statistical data analysis and the survey conducted among 30 entrepreneurs engaged in ethnic tourism. Conclusions: the competitive ability of ethnic tourism in the region remains rather low, which is due to a number of constraints, including the lack of variety of tourism services provided, strongly marked seasonality of demand on services, and the low provision of infrastructural facilities. Meanwhile, the Krasnodar Territory has unique natural and socio-cultural resources that prepare the ground for the introduction of modern instruments for ethnic tourism development. Practical significance: the algorithm for the implementation of municipal public-private partnership adjusted by the authors to ethnic tourism development is expected to attract additional investments, which in turn will increase the competitive ability of the industry in the long run. When introducing this mechanism, it is essential to take into account the need to expand the range of services to be provided to potential consumers.

Keywords: socio-economic system, polyethnic region, ethnic tourism, economic niches, ethnic entrepreneurship, ethno-economy, ethno-economic paradigm, economic space of the region.

1 Introduction

The global presence of ethnic tourism builds on the existing diversity of ethnic communities around the world with their traditions, cultures, and customs, which allows creating unique tourist products that are increasingly in demand [1]. Ethnic tourism is a way to understand the world’s historical and cultural heritage; it includes elements of entertaining, cultural, and

* Corresponding author: klochko.e.n@yandex.ru

© The Authors, published by EDP Sciences. This is an open access article distributed under the terms of the Creative Commons Attribution License 4.0 (https://creativecommons.org/licenses/by/4.0/).
educational tourism, since it satisfies people’s needs in learning about cultures and traditions of various ethnic groups [2].

The processes of globalization and the subsequent loss of identity of social groups lead to the increased societal interest in self-understanding and cultural education. This ultimately gives place to numerous positive effects of the spread of ethnic tourism, for instance, the establishment of social contacts, strengthening interethnic ties, preservation of the cultural, historical and natural heritage of countries and peoples, and the revival of traditional cultural values of ethnic groups [3, 4].

Presently, in most of the Russian regions there are projects aimed at ethnic tourism development [5]. Apart from specially organized several-day tours, there are guided tours in ethnographic centres which have been created with the purpose of attracting tourists.

1.1 Problem Statement

In the modern post-industrial society, there is a shift of interest from authentic products of a tourist destination to new symbolic values inherent in this territory and forming its brand.

Standard tourism programs provided worldwide are becoming less appealing to consumers. What generates more interest is the individual approach to tourists, when a tour operator provides an individual program that meets the requirements of a certain consumer or group of consumers and is consistent with their goals and motives. Thus, a bilateral relationship is established between the tourist and the operator which is aimed at getting new experiences and emotions for one party, and providing a quality service and satisfying clients' needs for the other party. The motivation behind any trip is fulfilling certain desires of an individual. The cognitive interests of people allow differentiating ethno-gastronomic tourism as a separate type of tourism the main purpose of which is to study culture, traditions, customs, and gastronomic peculiarities of a certain community currently or previously residing in a particular territory of a tourist destination [6].

The development of ethno-gastronomic tourism is conditioned by the total of the natural, climatic, socio-economic and political factors, cultural and historical heritage, and resource base.

The phenomenon of ethnic grouping as such appeared long before it was scientifically justified. Contrasting with other communities possessing different physical and cultural characteristics provided the ground for establishing ethnic identity.

The major signs of affiliation to an ethnic group are culture and language, psychological characteristics, ethnic self-identification, specificity of the state system, territorial allegiance, and national cuisine. The existence of an ethnos is attributed to territorial and temporal characteristics, which, however, do not affect the distinctive features of an ethnos: resettlement of an ethnic group or its temporal development do not change the signs of ethnic affiliation. These features are durable and visible, which, from the authors' perspective, is an important characteristics of ethnicity. The temporal development of an ethnos implies its existence at the junction of eras and civilizations, and the older the survived ethnos, the greater is its value for culture and history [7]. Thus, it is exactly the set of durable and visible properties that determines an ethnos. If certain signs lose their meaning, as an ethnic group moves through time and space, they are no longer of primary importance [8]. Ethnic diversity is the key factor for the development of ethnic tourism, ethno-gastronomic tourism in particular.

Both historical factors (national, cultural, gastronomic, and religious values of an ethnic community) and properly implemented marketing campaigns contribute to the creation of a positive image and strong brand of a touristic region, which results in the growing popularity of ethno-gastronomic tours within the region.
Regarding the Krasnodar Territory, the resort and tourist sector is one of the strategic directions of social and economic development of the region. It is important to highlight that the tourist product the region offers is rather diverse, and despite the fact that the largest segment of the tourist sector is beach tourism and entertainment, the Krasnodar Territory has considerable potential for the development of other tourism types, including ethnic tourism.

1.2 Research Questions

The subject of the present research is ethnic tourism as an alternative area for the development of the tourist sector in the region.

1.3 Purpose of the Study

The purpose of the research is to study the potential of ethnic tourism development in the Krasnodar Territory and to identify the ways of enhancing the quality of the tourist industry and its operation in the region through the mechanism of municipal public-private partnership.

2 Materials and Methods

The features of ethnic tourism as an alternative area for the development of the tourist sector in the region and its functioning have been discussed in the works by I.P. Smorzhok (2019) [9], N.V. Mikhailova (2020) [10] and others. The research by D.M. Astanin (2019) [11] focuses on the new types of eco-tourism, which is based on ethnic specificity and identification of the dominant features of a territory.

It should be mentioned that in modern scientific research, the development of ethnic tourism is discussed within the context of its economic and social significance. However, as stated in the works by E. Klochko, E. Vorobey, R Shichiyakh. (2019) [12], E.N Klochko, M.V Zelinskaya (2019) [13], researchers have not yet reached a consensus on the ethnic tourism development model, as well as on the factors having an impact on the competitive advantages and key shortcomings of this type of tourism.


Some of these studies on ethnic tourism development in different regions of the world are considered below.

In their study, Y. Zhang and co-authors (2019) [18] assess how active development of a luxury hotel chain in ethnic places of China affects the life of the local community. Tibetans residing in a village near Songtsam Shangri-la Mgallery hotels in the YunNan province of China have noted the negative effect of tourists coming to the place of their residence. Economic investments that are expected to improve the area are distributed unevenly, which leads to a low economic impact of ethnic tourism on indigenous people. Local residents express their concern about tourists’ religious beliefs, fear the negative impact hotels may have on the local environment, and worry about maintaining their traditional way of life. This study allows making a conclusion that the economic benefits of tourism should not always win over the traditional way of life and preservation of ethnic identity of a particular group.

The research conducted by B. Sousa, R. Santos and D. Azevedo (2020) [19] focuses on the relationship of Portuguese diasporas and their homeland, Portugal. It has been found that emigrants keep attached to their country of origin, which is why they return to Portugal as
tourists on a yearly basis, as stated by over 50% of respondents having taken part in the survey (out of the total of 1,057). Such tourist trips taken by former Portuguese residents illustrate ethnic tourism which helps to maintain behavioural attachments of emigrants. It is this affection that encourages expats to choose Portugal as a holiday destination, namely due to satisfaction and loyalty to the destination. Therefore, ethnic tourism acts as the interlinker that allows expats to preserve and maintain their Portugal roots.

The article by N. Solikhah (2020) [20] studies the ethnic identity of developing countries expressed in the form of ethnic tourism. One of the centres of ethnic tourism is located in the village of Sibeo, Baduy Dalam, the province of Banten. Providing access to Ciboleger in the 1970s opened up opportunities for ethnic tourism in the area. The author managed to prove that ethnic tourism does not always have a negative impact on local settlements of the region. In this particular case, ethnic tourism is one of the factors that helps to preserve ethnic identity of vernacular settlement in the village of Cibeo. This research makes it clear that the cultural system of the area under consideration can preserve its ethnic identity, which gives the indigenous population the opportunity to reproduce the way of life that has established over centuries. What is important in this respect is how an ethnic group preserves and maintains its self-identification, cultural traditions and customs.

Diversity of opinions regarding the development of ethnic tourism and its specificity has encouraged the authors of the present article to investigate the specific features of this tourism type in relation to the southern regions of Russia.

The research methodology of the present study includes system, monographic, structural and logical research methods. Each of these methods has been used according to its functionality.

3 Results

E.N. Klochko, S.V. Lazovskaya, and S.S. Mineev (2019) [21] define ethnic tourism as a type of cognitive, research, and cultural activity aimed at studying culture, traditions, and life of the ethnic population residing in a certain territory (including from a historical perspective). This type of recreation is due to the growing tourist interest in the authentic life of peoples, their traditions, crafts, rituals and culture.

According to N. Wahyuni, A.A. Kulik, E.L. Lydia, K. Shankar, and M. Huda (2020) [22], ethnic tourism occupies an important role in the management of a region. The research by M.V. Zelinskaya, L.V. Kovalenko (2020) [23], E.N. Klochko, L.V Kovalenko (2020) [24, 25] stress the importance of ecologization of ethnic tourism [26].

The following features are characteristic of ethnic tourism:

- learning about ethno-oriented settlements located remotely from major transport routes;
- trying and learning different types of rural activity;
- attending folk concerts;
- learning about folk crafts through practicing them;
- learning about religious traditions of different ethnic groups;
- tasting traditional cuisine of a certain ethnic group;
- the use of ethnic costumes;
- a wide range of handicraft souvenirs on offer.

In recent years, ethnic tourism has gained much popularity around the world, and tourist interest in it continues increasing, thereby becoming competitive with sports, environmental, business, medical, and wellness tourism, as stated in the works by M.T. Davletova, M.Zh. Tursambayeva (2013) [27], A.E. Usynina (2017) [28], D.A. Shapova, I.A. Fomichenko (2016) [29], D.Y.Bekjanov (2020) [30], R.A. Shikova, S.V. Gnezdilov, and O.V. Kondratyeva (2016) [31].
In the present-day unified world, people are striving for self-identification, and are willing to connect with their roots, realize their uniqueness, and learn their history and traditions. Through learning about other ethnic groups and cultures, tourists obtain a complete picture of our diverse world with peoples having their unique cultural identity.

As noted by R.A. Shikova, S.V. Gnezdilov, and O.V. Kondratyeva. (2016) [31], ethnic traditions are closely connected with folklore and crafts, both rural and urban. Folklore is an indispensable part of people’s life, as it passes along experience that has been accumulated over the centuries from the older generation to the younger one.

There are two main types of ethnic tourism:

1. Visiting currently existing settlements that have preserved their unique traditional life and culture. In scientific literature, such routes are called ethnic trails. These settlements can be permanent or temporary (for example, sites of nomadic herders, foragers, etc.).

2. The second type of ethnic tourism is visiting ethnographic museums, including open-air ethno-museums containing traditional household items and architectural works. Tourists have an opportunity to see objects of some cultures and eras, learn about their intended purpose and feel the connection between their own and other cultures.

In the Krasnodar Territory, there is a large ethnic museum complex - the Cossack village of Ataman. The Ataman village is an open-air exhibition complex located on the site of the ancient settlement of Hermonassa - Tmutarakan. There are many log huts exhibited in the decoration of which modern interior details (newly created, but often antiquated) are combined with historical objects of everyday life, material culture, crafts, and folklore of the Kuban Cossacks.

Ethnic tourism provides the opportunity to see traditional residential and farm buildings, and local residents dressed in national clothes, take part in festivals, and taste national cuisine. Having returned back home, tourists show the goods they have purchased to their relatives and acquaintances, and share their impressions about ethnic groups of the visited region and their culture, which in general contributes to increasing tolerance towards different ethnic groups.

In the Krasnodar Territory, the ethnic tourism industry is represented by organizations of several types (Figure 1).

![Fig. 1. Types of organizations providing ethno-touristic services in the Krasnodar Territory](image)

The figure 1 demonstrates that the largest proportion of the segment is represented by ethno-economic complexes and restaurants.

Table 1 demonstrates the key indicators characterizing the development of the ethnic tourism industry in the Krasnodar Territory.

| Key indicators of ethnic tourism development in the Krasnodar Territory [10, 32]. |  |  |  |
The conducted analysis shows that residents of the Krasnodar Territory have become increasingly interested and involved in the operation of ethnic tourism. Nevertheless, on some indicators, the activity of the ethno-tourist complex is declining, namely, the development of new ethno-tourist routes, and ecological and historical trails which are part of the ethno-tourist segment. The number of professionals employed in this industry segment has also reduced.

Table 2 outlines the factors that hinder the development of ethnic tourism in the Krasnodar Territory

### Table 2. Factors that hinder the development of ethnic tourism in the Krasnodar Territory

<table>
<thead>
<tr>
<th>Factor</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Image</td>
<td>The image of the Krasnodar Territory as a region that provides quality services in ethnic tourism</td>
</tr>
<tr>
<td>Material and technical</td>
<td>Weak ethno-tourist infrastructure, significant wear of facilities, insufficient number of modern accommodation facilities in the ethnic tourism segment</td>
</tr>
<tr>
<td>Investment</td>
<td>Lack of experience in creating favourable conditions for investment in tourist accommodation facilities and other objects of ethno-tourist infrastructure in the Krasnodar Territory</td>
</tr>
<tr>
<td>Advertising</td>
<td>Lack of non-commercial advertising of ethno-tourist services that are provided in the region</td>
</tr>
<tr>
<td>Quality</td>
<td>Low quality service in the ethno-tourism sector due to the low level of personnel training and lack of experience in a market economy, which is also the result of the long-term operation of accommodation facilities through the social insurance system</td>
</tr>
<tr>
<td>Pricing</td>
<td>Inconsistency between the price and quality of accommodation in ethno-complexes and other objects of the ethno-tourist infrastructure</td>
</tr>
</tbody>
</table>
As practice shows, the quality of ethnic tourism provided in the Krasnodar Territory is rather low. Additionally, these services lack variety, which negatively affects the development potential of the segment.

The competitive analysis of the ethnic tourism industry in the Krasnodar Territory suggests that one of the main challenges for the industry is the development of new areas of tourism. From the authors' perspective, the unique ethno-geographical characteristics of the Krasnodar Territory open up ample opportunities for the development of ethnic tourism as a sub-industry. However, ethnic trails in the Krasnodar Territory are underdeveloped.

The authors suggest that in order to improve the quality of the ethnic tourism industry in the Krasnodar Territory, the mechanism of municipal public-private partnership should be applied, which will contribute to the development of ethnic trails, thereby increasing the range of services provided in the ethno-tourism segment (Figure 2).

**Fig. 2.** The stages of using the mechanism of municipal public-private partnership in the implementation of the project for the construction and maintenance of ethnic trails

Municipal public-private partnership is an effective tool for city infrastructure development. Municipal public-private partnership mechanisms allow attracting financial resources from business into economy sectors, including in the social sector.

Researchers define municipal public-private partnership as a step towards establishing productive relationship between business and government, and increasing investment [33].

When there is a potential investor, various forms of municipal public-private partnership can be applied: a concession agreement in accordance with the Federal Law of the Russian Federation No. 115-FZ, an agreement on public-private partnership in accordance with the Federal Law of the Russian Federation No. 224-FZ, or leasing with investment commitments.

Implementation of the municipal public-private partnership mechanism requires establishing a working group that includes representatives from both municipal authorities and business, as well as independent financial and technical experts.

On a regular basis (at least once a week), the working group should make decisions on various issues, e.g. criteria for selecting private partners, deal structure, terms and conditions of municipal public-private partnership agreements, alleged municipal support, specifics of tender documentation, issues related to land, ecology, local communities, etc., and bring the decisions made to the notice of heads of departments.
Later, when an agreement on municipal public-private partnership is concluded, representatives of the private partner join the working group. Theoretically, together they should ensure consistency of all decisions made and discuss problem issues before action is taken. Apparently, members of the working group cannot be members of the tender commission.

A draft municipal public-private partnership agreement and accompanying documents, such as an agreement on municipal project support, are discussed only with those companies that have passed pre-competitive selection. They are sent all documents and a request for proposals.

There are a number of actions that require to be taken by the team and experts before starting this stage:

1. Prepare drafts of all documents to be signed for an agreement. They are at least two - a municipal public-private partnership agreement itself and an agreement on municipal support.
2. By this time, technical requirements should already be described (not detailed technical solutions, but in general).

The technical assessment is carried out according to the following criteria:
- access to financial resources;
- key personnel;
- equipment required for the project;
- subcontractors, etc.

The criteria for the financial assessment include:
- terms of design, construction and putting into service;
- cost including discounting;
- availability payment, operating expenses, etc. [34].

Along the way there may be situations when:
- requirements under the request for proposals procedure or a draft agreement are unclear or treated ambiguously;
- draft agreement is unacceptable for a creditor of a prospective private partner, since banks start examining documents after tender results have been summed up (especially in terms of risk allocation);
- draft municipal-private partnership agreement assumes that a tenderer should meet certain requirements, but the preferred tenderer suggests another solution, which, however, meets tender requirements.

Meanwhile, when establishing the financial model of a project, it is important to calculate options for the return of investor's funds, with the account of budget capacity and customer demand. In some cases, a private partner is expected to generate an economic benefit from fee collection from end-consumers, while in other cases, full or partial compensation from the budget is required [35-40].

Traditional methods of return on private investments used in municipal public-private partnership projects include the following:

1. Direct fee collection. This financing mechanism implies investors collecting payments from consumers directly, thus returning the expenses incurred in the project.
2. Minimum guaranteed income. When discussing an agreement, the public partner and the investor can agree on the minimum income of the private partner that will be guaranteed by the state. If this agreed minimum is not reached, the investor receives compensation from the budget. If the profit is beyond what has been initially planned, the private partner undertakes to transfer the excess to the state.
3. Availability payment. The mechanism assumes that the investor receives fixed amounts from the public partner for the construction and operation of an infrastructure facility.
Payment can cover part of construction and operating costs, can be used to repay bank loans or constitute the investor's profit.

4. Concession grantor payment - payments to the investor by the public partner in concession agreements.

5. Capital grant - funds allocated from the budget to compensate for part of the costs of construction or renovation of an infrastructure facility [41, 42].

6. Investment payment - payments that the investor receives from the public partner having completed construction works, in order to cover part of the expenses incurred. Most often, these funds are used to repay bank loans.

Thus, the ways to return funds invested in the implementation of infrastructure projects are rather varied. Any of the described mechanisms requires accurate calculations, forecasting and risk analysis, and has to correspond to the established financial model.

4 Discussion

When implementing the municipal public-private partnership mechanism for ethnic tourism development in the Krasnodar Territory, the most appropriate method of return on private investments is direct collection of payment for tourist services, which can generate considerable profit for potential investors.

Ethnic tourism development is one of the promising areas in the resort and tourist industry of the Krasnodar Territory. Currently, there are a number of factors hindering ethnic tourism development, including the lack of variety of services provided and the high cost of the development of new ethnic tourism projects. For this reason, the application of the municipal public-private partnership mechanism has great potential for the tourist industry development.

5 Conclusions

Ethnic tourism has a considerable development potential in the region of Russia under study, since tourists visiting the region on holiday are becoming increasingly interested in its culture, traditions and customs. The Krasnodar Territory has all necessary conditions for the development of ethnic tourism, ethno-gastronomic tourism in particular, due to the set of specific climatic, socio-economic and political factors in the region, cultural and historical heritage, and appropriate resource base.

In the modern world, people are increasingly striving for self-identification and are willing to connect with their roots, and understand their uniqueness, history and traditions, which can be done through learning about one's own and other ethnic groups and cultures.

In the course of the research, it was found that in order to improve the performance of the ethnic tourism industry in the Krasnodar Territory, the mechanism of municipal public-private partnership should be applied, which will contribute to the development of ethnic trails for tourists.

References


9. I. P. Smorzhok. Ethnic tourism as one of the important areas of cultural tourism. Synergy of Sciences, 36, 96-102 (2019).


32. Territorial body of the Federal State Statistics Service for the Krasnodar Territory (KRASNODARSTAT). Available at: https://krsdstat.gks.ru/


