

# MANAGEMENT OF THE REGIONAL DEVELOPMENT OF TOURISM ACCORDING TO THE INTERNATIONAL EXPERIENCE

## MANAGEMENTUL DEZVOLTĂRII REGIONALE A TURISMULUI ÎN CONFORMITATE CU EXPERIENȚA INTERNAȚIONALĂ

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### SUMMARY

*The article analyzes the attitude of foreign governments to the development of the tourism and identifies models of state participation in the regulation of the tourism. The global experience in managing the regional development of the tourism is generalized in the article.*

**Keywords:** *tourism, tourism management, models of state tourism management, sustainable tourism development.*

### REZUMAT

*Articolul analizează atitudinea guvernelor străine față de dezvoltarea sectorului turistic și identifică modele de participare a statului la reglementarea sectorului turistic. Este generalizată experiența mondială a gestionării dezvoltării regionale a sectorului turistic.*

**Cuvinte-cheie:** *turism, managementul turismului, modele de management de stat al turismului, turism durabil.*

Tourism is more than just an area of activity. This industry is one of the key components of the whole diverse economy. It is closely linked to the development of the entire economic policy of a country, and therefore deserves national and international support no less than other sectors.

Regional development management is the only system of territory management and management of specialized complexes of regions, among which special place is occupied by recreational and tourist complexes. Despite the positive trends in the tourism in the regions of Ukraine (increase in the number of domestic, inbound and

outbound tourists, payments to the budget and employed in the tourism), there are significant problems and deficiencies that significantly differentiate the tourism of Ukraine and European countries.

Tourism is a complex, multifaceted economic system with an extensive network of connections, gathering more than 40 related branches of the national economy (hotel, transport, communication, etc.). It is a specific and rather complex object of regional development management, which should be based on certain state tourism policy and such basics of functioning as tourism legislation, state regulation.

World experience of regional development shows that in the modern world there is no dominant model of state regulation of regional development of tourism. Moreover, in this area the differences between the countries are especially large, that is a direct consequence of regional diversity.

In the organizing and development of tourism activities in different countries of the world, there are three types of models of state participation in the regulation of this important component of the national economy [4].

The first model assumes the absence of a central State Tourist Administration. All issues are solved locally on the basis and principles of market "self-organization". Governments use such model where tourism is not very needed in the national economy at all, or where tourism market actors are strong, that means able to solve their problems without government involvement. Such model for the management of the tourism industry was adopted in the United States after the USTTA liquidation in 1997. That was a state organization which was responsible for the development of tourism in the country.

The second model assumes the presence of a strong and authoritative central body - a ministry that controls the activities of all enterprises of the tourism in the country. Its implementation requires appropriate conditions, namely: significant financial investments in the tourism, in particular in advertising and marketing, investing in tourism infrastructure etc. Such model of tourism management organization operates in Egypt, Mexico, Tunisia, Turkey and other countries where tourism is one of the main sources of foreign exchange budget revenues.

The third model is prevalent in developed European countries. In countries where such model is used, the issues of tourism development in the country are

resolved "inside" of a particular multi-sector ministry at the level of the relevant branch. At the same time, the department of this ministry responsible for tourism development in the country carries out its activity in two directions: it solves or regulates general issues of state regulation (development of legal framework, coordination of activities of regional representative and executive power, international cooperation at the interstate level, gathering and processing of statistical information, etc.) and directs and coordinates marketing activities (participation in exhibitions and international associations in the tourism field, management of the tourist representation offices of the country abroad etc.).

Let's look at some publications that can be an algorithm for improving tourism financing, achieving its sustainable development and increasing tourism revenue to GDP.

Lindsay Wittenberg and Dr. Kate Johnson's article "EU Financing: Myths, Realities and Strategy" focuses on European Commission tourism financing opportunities [5]. EU tourism funding opportunities are limited not only by the Structural Funds but also by a number of other programs. Together, they cover economic progress, rural development, education, culture, international cooperation, cooperation with Latin America and Asia, society, and information technology.

The authors say that searching funding means a clear goal and a well-designed project concept that will satisfy the sponsor's views and suggestions. Attention is also drawn to the fact that not only large companies or partnerships but also small organizations, businesses and institutions can receive EU funding. The most important is the calculation of possible losses and risks for both parties. Therefore, you need to apply for funding for a unit that is

fully prepared and has all the calculations and analysis.

The authors describe the myths and realities surrounding EU funding. They say that EU funding is not just a bunch of gold bars that anyone can get, but it is not within reach. Only a well-prepared and calculated organization that is ready for international cooperation, ready to reap benefits to both parties, can receive such assistance. An organization receives 100% funding for a project very rarely. Costs in the range of 25% to 75% are most often covered. The project should be thought through to the smallest detail. The main thing is that there should be a timeframe for each stage. After full preparation of the project, a request for funding is submitted. The answer is available after 4-5 months sometimes.

According to the authors the reality is so that the sponsor will select only the project that will operate within the program of the sponsoring company. That means that only those ideas and decisions are taken into account which is interesting financially and economically. Before submitting ideas and projects to the grand, you need to thoroughly study the field of activity of the fund and understand whether it will be interesting for you to fund.

The authors list such funds as they can finance:

- structural funds;
- educational;
- economic development;
- cultural;
- the environment;
- information technology, etc.

Scientists propose the following sequence of actions for creation a successful project:

- creating a strategy and action plan;
- project evaluation;
- clarity, understandability of goals;

- determining the capabilities of the grantor;

- search for partners;
- preparation of proposals in clear language with all necessary information.

All the above actions are only a good start and a basis for further exploration of the project's conditions and opportunities. Therefore, you need to complete the initial stage as best you can to be ready to resell your project [5].

Let's look at some facts and indicators of tourism development [6, 7]:

- the third rated most economically active sectors of the European Union;
- includes a large number of different services and professions;
- relatively stable sector despite the unstable economic situation.

Socio-economic importance of the tourism:

- 5% of EU GDP;
- 5.2% of EU employment (9.7 million workers).

Key challenges for the sustainable development of the EU tourism:

- reducing the seasonality of demand for services;
- improving the quality of services of the industry;
- support and improvement of quality of life of the population - users of services;
- reducing the use of resources and the defect producing;
- preservation of cultural heritage;
- giving the industry greater attention and importance in forming the budget part.

The Guide to Sustainable Tourism Management Development Achievement outlines the primary goal of improved knowledge and critical awareness of involving local government in tourism management. It seeks to raise the level of negotiations on the impact of local government and its capabilities on the actual management

of tourism. The guide intends to inspire a critical evaluation of the challenges, issues and opportunities faced by local authorities and, as a result, increase the number of problematic issues addressed by tourism officials and representatives of the local community.

The authors explain that the phenomenon of „tourism management” does not mean managing hotels, tourist shops and other objects in this sphere. The broader concept is referred to as tourism infrastructure management. That is, a set of enterprises, institutions and institutions which activities are aimed at meeting the needs of people involved in health or recreation, as well as communication and transport routes and tourist accommodation facilities that provide conditions for stable functioning. Tourism infrastructure is regarded as a coherent system consisting of two subsystems: social and industrial, which are interconnected and interdependent with respect to the serving entity. In turn, the infrastructure forms the tourist regions in some sense, promotes tourist specialization and business profile, because due to the availability of infrastructure links between individual objects determine the quality of service in a particular territory.

It is interesting to identify that tourism planning and policy development are based on six platforms. Which are:

- protection;
- warning;
- adaptation;
- knowledge;
- stability;
- full evaluation.

The authors note that the guide is not a step-by-step plan of action for use in local practice to achieve tourism management goals. Each country has its own characteristics and indicators. Therefore, it is necessary to take into account the peculiarities of the region and particularities of political,

economic and other spheres of life [8].

In David Harcomb's article, the author identifies three types of influences that are attractive for tourists [9]. Which are: economic, environmental impact, socio-cultural. Sometimes, some influences are associated with the tourism, although they arise with the development of other industries. But while all these factors can be considered as consistent features of modern society, at the same time, they say that the tourism is in contact with them and is a direct participant in their appearance.

The author gives examples of positive and productive impact of tourism development.

In terms of economic benefits, the article discusses the following:

- development of foreign exchange;
- creation of new jobs and opportunities;
- incentive for trade and enterprise development;
- introduction of new infrastructure in all areas of public life;
- increasing the development of the region;
- raising tax collection, which leads to higher expenditures from the state budget;
- development of the multiplier effect.

The author devotes major part of the article to the multiplier effect. He gives examples of the impact of tourism on the growth of population income and replenishment of the local budget - salaries of employees of hotels, restaurants and other places of leisure, advertising costs, taxes received, which are spent on the construction of roads, new objects and more. But despite this, the scientist says that this effect, of course, manifests itself in different terrain, differently depending on the capabilities of the region, country, and territory.

The author notes that the tourism sphere can create its negative consequences except positive ones. Wherever a tourist

appears, there is a marked rise in prices for products, goods, imports, artificial inflation on land pricing, rising costs for improving tourism infrastructure, and as a result of cuts to other areas. Therefore, the locals have to change their lifestyles and sometimes even move to another city. So the study of the author is to find the benefits of a good impact on economic life over the negative.

The author systematizes the factors of negative impact:

- local budget expenditures (loss of resources);
- increased propensity to import;
- alternative costs;
- moving results;
- over expenditure on tourism;
- inflation and artificial rise in land prices;
- seasonality problems;
- use of foreign labor;
- creation of new high prices;
- problems due to foreign investment.

But despite all the authors say that we need to find a balance and try to eliminate the negative actions and factors for the sustainable development of success [9].

Judith Barat considers in her article a "process of highest utility" from the activities of local authorities [10]. This process consists of analyzing the activities of local authorities in the tourism to meet the needs of the local community. The analysis consists of a number of measures:

- reviewing services provided by local authorities and measuring their non-performance in a particular region;
- demonstrating ways to achieve the highest utility;
- creating an annual plan for the highest utility;
- creating a detailed five-year plan, taking into account the use of the highest standards, the best results aimed at improving the living standards of the local community.

Such arrangements are agreed upon and subsequently agreed in detail by the audit committee. Some local authorities create the plan individually; others take action within whole regional programs, together with other associations.

There are four key criteria to consider in order to accomplish certain tasks and to set the right goal:

- doubts
  - why implement the service;
  - what is the best way to implement them;
- what other opportunities exist;
- comparison
  - what type of tourism you can compete with;
  - what key indicators to use;
  - what will be the cost of the service after determining the effectiveness of the system;
  - what improvements should be made;
  - how the planned improvements are measured;
- which practices to compare to make the right improvements.
- consultation
  - it is important for the service to get the best result, so you need to consult with the users and those who implement the service;
  - consultations should take into account the wishes of both the service providers and the clients;
- competition
  - what alternative goals might be more beneficial;
  - how the service can act to minimize costs and more.

The article describes the entire process of compiling the program itself and achieving the best result. Audit and approval involvement are also justified. As a conclusion, the author says that the implementation of such an idea was purely for the sake of improving the living standards

of the community of a territory through the introduction of more effective activities of local authorities in the field of tourism services [10].

Conclusions. Summing up we can draw the most important conclusion considering only a small part of the experience of foreign countries. The tourism is one of the key sectors through which the potential and budget of the region (cities or countries in general or the European Union as a whole) are significantly increased. The most interesting thing is that when planning the development of a territory, the development of tourism is considered the same as other areas - education, industry, transport and others. It is evident that Ukraine still lacks a thorough study of the tourism and the prospects for its sustainable development.

The results of the study show that the global experience of regional development indicates that in the modern world there is no dominant model of state regulation of regional tourism development. Some elements of mechanisms for managing the regional development of the tourism in countries, the effectiveness of which is time-tested and confirmed by specific achievements in tourism development, should be used for the development of tourism in the regions of Ukraine, taking into account its historical, legal and cultural features. And in terms of finding forms of constructive cooperation, the most productive is the interaction of administrative bodies at different levels of state and regional government, as well as the involvement of the private sector in order to fulfill relevant public tasks.

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