

# WORLD ECONOMY AND INTERNATIONAL ECONOMIC RELATIONS

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## AREAS OF CONCERN OF THE TOURISM ACTIVITIES IMPLEMENTATION

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**Introduction.** Ukraine has completely reoriented its activities, directing its development vector towards integration into the world economy at present time. Tourism increasingly plays an important role in social and economic development of Ukraine. Herewith, Ukraine remains at the lowest positions in the world rating of the tourism market. It is caused by imperfect legal frameworks, which suppose to ensure the implementation of its tourism policy by the government, as well as complex and ambiguous tax policy, lack of infrastructure necessary to meet the relevant needs of population.

Nowadays, tourism sector suffers losses as a result of measures to prevent the COVID-19 pandemic around the world. At the same time, the situation should be considered not only as a concern, but also as an opportunity to bring the tourism sector to qualitative new level on the territory of Ukraine. Since, in the context of global crisis and pandemic due to the COVID-19 virus spread, the competition for the tourism product consumer becomes even tougher, this prompts the business entities of the above industry to reconsider the approaches and tools for quality and content of their tourism services, to find new effective forms and methods how to attract the tourist in an innovative, modern, competitive, that meets the requirements of modern tourist services [1, p. 134].

**Review of the latest research sources and publications.** Problems of development and improvement of the tourism sector were considered by many scientists, in particular A. Liubitseva, O. Beidyk, V. Kifiak, O. Ilina, A. Oleksandrova, V. Kvartalnov, I. Kolesnikov, I. Zorin, M. Malska, E. Pankov, V. Khudolii and others. However, the problem of improving the organizational and legal aspects of the tourism development policy still requires a solution, which determines the relevance of this research.

**Objective setting.** The object is to consider and research the main areas of concern of the tourism activities implementation in modern conditions.

**Main material and results.** Legal regulation of tourist activity in Ukraine is carried out under the legal acts system based on the Constitution of Ukraine [2], international legal acts on tourism, special laws and by-laws that play the main role in tourist activity organization. The basis of tourist activity legal

regulation in Ukraine is the Law of Ukraine “On Tourism”. It contains legal, organizational and social and economic foundation for the implementation of the national policy of Ukraine in tourism. It stipulates the foundations for the rational use of tourism resources and regulates relations related to the organization and implementation of tourism in Ukraine. In addition to this law, tourism relations are also regulated by the Law of Ukraine “On Foreign Economic Activity” dated April 16, 1991, No. 959-XII, the Law of Ukraine “On Consumer Rights Protection” dated May 12, 1991, No. 1023-XII, the Law of Ukraine “On Natural Environment Protection” dated June 25, 1991, No. 1264-XII, the Law of Ukraine “On Business Entities” dated September 19, 1991, No. 1576-XII, the Law of Ukraine “On the State Border of Ukraine” dated November 04, 1991, No. 1777-XII, the Law of Ukraine “On the Natural Reserve Fund of Ukraine” dated June 16, 1992, No. 2456-XII, the Law of Ukraine “On the Procedure for Exit Ukraine and Entrance the Ukraine for the Ukrainian citizens” dated January 21, 1994, No. 3857-XII, the Law of Ukraine “On the Settlement Procedure in Foreign Currency” dated September 23, 1994, No. 185/94-BP, the Law of Ukraine “On Insurance” dated March 07, 1996, No. 85/96-BP, the Law of Ukraine “On Commercials” dated July 03, 1996, No. 270/96-BP, the Law of Ukraine “On Resorts” dated October 05, 2000, No. 2026-III, the Law of Ukraine “On Types of Economic Activities Licensing” dated March 02, 2015, No. 222-19 [3].

Further, the specifics of resorts activities organization on health-improving lands are provided for by the Law of Ukraine “On Special Economic Zone of Tourist and Recreational Type “Kurortopolis Truskavets”, “On Environmental Protection”, etc. These regulations define what can be considered as recreational area, including land and water aimed at entertainment for the population and tourism.

The legislation acts of Ukraine that regulate tourism activities also include the Law of Ukraine “On Culture”, “On Museums and Museum Business”, “On the Protection of Cultural Heritage”, “On the Export, Import and Cultural Property Return”, “On the Protection of Archaeological Heritage”, the Strategy for the tourism and resorts development for the period up to 2026, approved by the order of the Cabinet of Ministers of Ukraine dated March 16, 2017 [4].

However, despite such a large number of regulatory legal acts that may resolve areas of concern of the tourism sector and contribute to its development, part of income from the tourism services provision in Ukraine still does not reach 1% in GDP, while it can be up to 10% of GDP in countries where the tourism sector is well developed [5].

Ensuring the sustainable development of tourism should be based on the modernization of the infrastructure of tourism and resort and recreational areas. To this end, it is necessary to introduce a special investment system to facilitate the construction and reconstruction of hotels and other tourist infrastructure, which will encourage domestic and foreign investors to invest in the tourism industry. At the same time, the practice of direct financing from the state and local budgets of activities aimed at the development of tourist infrastructure, forest and mountain recreation areas, public beaches, observation decks, tourist information centers, road information stations, etc. should be introduced.

The conditions for the development of regional tourism are a clear division of power between central and regional sectoral authorities, as well as between the executive and local governments. It is appropriate to authorize local governments in the development of local tourism: to create regional tourism companies, tourism information centers, build infrastructure, attract investment and more.

It is also worth noting that often leads to controversial situations of legal gaps and contradictory legal norms, insufficient development of the conceptual framework, and sometimes even the lack of legal norms governing the relationship of entities in the tourism sector (and this despite the fact that the formation of an effective mechanism for regulating tourism is an important condition for ensuring the development of the tourism industry of Ukraine).

Currently in Ukraine, the legal mechanisms of state regulation of the tourism sector are being intensified, i.e. new laws are being introduced and necessary changes are being made to existing regulations in order to bring them in line with international standards in the field of tourism. The Law of Ukraine «On Tourism» [6] provides general organizational and socio-economic principles for the implementation of Ukrainian national policy in the field of tourism, however, despite the fact that the Law "On Tourism" became the legal basis for regulating relations in tourism, development of regional tourism legislation is very relevant. The adoption of legal acts is due to means of realization of national policy in the field of tourism, which also affects the development and expansion of the subject of legal regulation, as a tourism activity is acting.

It is obvious that in the issue of reorganization and development of tourism without the active support and direct intervention of the state to talk about the functioning and improvement of tourism is extremely difficult or even almost impossible. Therefore, the Cabinet of Ministers of Ukraine approved the National

Tourism Development Plan for 2002-2010, which provided that the central executive body responsible for formulating national policy in the field of tourism and resorts should annually allocate funds from the state national budget of Ukraine to implement this plan. The plan provided for the implementation of a number of measures to improve the management of the tourism industry, development of relevant regulations, accumulation at various enterprises of the tourism industry necessary for structural changes of financial and human resources, strengthening the existing logistical base, improving the statistics system, creating conditions for investment projects. [7].

At this stage, the Cabinet of Ministers of Ukraine has approved a strategy for the development of tourism and resorts until 2026, which, in addition, determines the main means of implementation in the direction of “Regulatory framework for tourism and resorts” [4]. Taking into account the experience of EU tourism countries [8, 9, 10], we should note that the implementation of EU legislation in the field of tourism and resorts contributes to the improvement of tourism legislation. In this direction, first of all, it is necessary:

- develop proposals for amendments to the Laws of Ukraine “On Tourism” and “On Resorts”;
- prepare draft laws on the introduction of the institution of self-regulation in the field of tourism (creation of a national tourist organization);
- work on visa liberalization and visa facilitation for tourists from countries in the strategic partnership of Ukraine;
- bring existing and conclude new interdepartmental and intergovernmental agreements on cooperation in the field of tourism and resorts;
- develop and approve procedures for the establishment and liquidation of tourist missions of Ukraine abroad;

The harmonization of national standards in the field of tourism and resorts with international standards should help improve the quality of the national tourism product through:

- ensuring the activities of technical committees of standardization with the involvement of tourism market participants, employers' organizations and public associations in the field of tourism and resorts;
- introduction of the international system of quality of services on priority directions for our state;
- implementation of definition and provision of typification and specialization of resorts.

Liberalization and effective supervision of tourism businesses should be carried out by: revoking the licenses of tour operators and introducing alternative mechanisms for effective monitoring of tour operators and other actors in the tourism market; organization of activities and support of national tour operators and creation of favorable conditions in the field of tourism and resort for small business.

It is worth noting that the travel business is unique in that it provides a full range of travel products for different types of services: transportation, food, accommodation or consular services. Therefore, the legal regulation of tourism is complex, as relations between the subjects are governed by different branches of law. This, in fact, has led to the emergence of a large number of regulations governing tourism. Trying to count the number of regulations related to the tourism industry, we have accumulated about 200 regulations that have created a national system of tourism regulation [11, p. 126]. However, despite so many regulations, there are still many unresolved issues in the tourism industry.

It is also worth noting that the comforting prospects for the development of the tourism industry directly depend on the strengthening of state regulation of tourism at both national and regional levels, without violating existing strategies for promoting regional tourism plans.

The tourism industry is a specific complex object of management, effective management of which is based on taking into account the sectoral nature and problems of economic transformation, the formation of competitive advantages that allow, on the one hand, to provide ample opportunities to meet the needs of domestic and foreign citizens, and on the other – make a significant contribution to the development of the national economy [12].

Tourism management, first, must be carried out in compliance with the principles of constitutionality, legality and transparency. The main tools of the legal mechanism for regulating tourism relations should be regulations of the state and local governments.

Secondly, it is necessary to emphasize the details of the formation of the legal framework for tourism – it is complex in nature, as it contains legal norms on the affiliation of many different industries, such as constitutional, administrative, civil, environmental, economic, financial, tax, labor, customs.

Third, despite the active formation of legislation in Ukraine, its impact on key indicators of increasing tourist activity is not felt. Imperfection of regulatory and legal support and lack of effective legal mechanism of state regulation of tourism in Ukraine, lack of the main strategy for the development of the Ukrainian

tourism industry and economic model of inbound and domestic tourism, the need to improve licensing, technical standardization, certification and statistics – all this the need for further research in this area.

Also in Ukraine it would be expedient to create an organization that would coordinate the actions of tourism practitioners and executive and legislative bodies. It should ensure the flow of tourist information, develop a national tourism development program and inbound tourism promotion programs, which would provide tax benefits, simplify border and customs regimes, create favorable conditions for investment, increase budget allocations for infrastructure development, advertising on outdoor markets, training of qualified personnel. In general, tourism is the most active sector of services, a special type of consumption of material and spiritual goods, services and goods, which are gradually separated into an independent sector of the economy [13, p. 45].

Given today's conditions, it is time to create optimal, rational and profitable for tourism business regulations. After all, all socio-economic changes must be reflected in Ukrainian legislation and implemented through the management of the relevant special state body, which would seriously take care of tourism.

Tourism management should be aimed not only at achieving a positive effect from the implementation of tourism functions and eliminating possible threats to the industry, but should also provide an opportunity to assess the impact of related environmental factors, which together should create favorable conditions for tourism development of Ukraine.

Public tourism management should be understood as targeted impact on the industry or its individual components through an effective public administration mechanism to achieve certain strategic objectives, which means targeted impact on tourism or its various components through effective public administration mechanisms to achieve certain strategic goals. Only in this case we can hope for the development of the tourism industry of Ukraine.

It is worth to note that modern system of tourism management at the regional and local levels in the context of decentralization of power in Ukraine also remains disordered, built on personal and lobbying basis, has an uneven staffing structure, insufficient funding, as well as misuse of available funds. The tourism management system at the regional and local levels depends on the human factor and is highly unstable to the impact of political changes. That is why, in the context of decentralization of power, it is necessary to create a method that will work effectively even with minimal budgeting for the tourism industry, different number of workers in this area and will ensure a high level of their professionalism. This can be achieved through the creation of tourism departments at the regional and local levels; training, specialization and advanced training of the professional community of specialists in management for the tourism sector and development of qualification requirements for them; improvement of legislation in public and private partnerships for the purposes to adapt foreign experience of private and partner consortia engaged in marketing, business consolidation, as well as proactive implementation of the world experience of state participation models in organizing and regulating the tourism industry development at the regional level [14].

**Conclusions.** Current management conditions require from administration bodies to make informed management decisions not only at the national or regional level but also at the local level. Bodies approving them can have the status of both non-governmental and governmental bodies, but effective cooperation with them will help to exchange experience, to implement joint projects and to improve tourism infrastructure. Tourism effectiveness directly depends on effectiveness of the central executive body dealing with tourism in the tourism industry, its organizational support and implemented tourism policy. Such management shall be improved based on world experience and peculiarities of tourism development in the region and throughout Ukraine.

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**Проблемні аспекти здійснення туристичної діяльності.** Досліджено сучасний стан вітчизняної туристичної галузі. Проаналізовано основні проблеми, що стримують розвиток туристичної індустрії та потребують подальшого розв'язання. Розглянуто діючі нормативно-правові акти, які врегульовують питання у сфері туризму й акцентовано увагу на відсутності взаємозв'язку між нормативною врегульованістю галузі та часткою доходів від надання туристичних послуг у ВВП країни. Визначено, що подальша реорганізація й розвиток туризму в нашій державі не є можливим без активної підтримки і прямого втручання держави. Запропоновано заходи, реалізація яких допоможе гармонізувати національні стандарти у сфері туризму та курортів з міжнародними стандартами й сприятиме підвищенню якості національного туристичного продукту. Доведено, що розвиток туристичної галузі безпосередньо залежить від посилення державного регулювання туристської діяльності не лише на загальнонаціональному рівні, а й на регіональному, тим паче, що система управління сферою туризму на регіональному та місцевому рівнях в умовах децентралізації

влади в Україні далека від досконалості. Акцентовано увагу на необхідності імplementації законодавства ЄС у сфері туризму й курортів, що сприяє вдосконаленню законодавства про туризм. Розроблено рекомендації щодо впровадження механізмів розвитку туризму країни.

**Ключові слова:** туризм, туристична галузь, туристична послуга, туристична політика, правове регулювання туристичної діяльності.

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**Key words:** tourism, tourism industry, tourism service, tourism policy, legal regulation of tourism activities.