

ICEST 2021**II International Conference on Economic and Social Trends for Sustainability of Modern Society****DEVELOPMENT OF THE TOURISM AND RECREATION
COMPLEX OF THE REPUBLIC OF CRIMEA**

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Abstract

The article defines the determinants of the development of the tourism and recreation complex of the Republic of Crimea. The current trends in the development of the tourism and recreation complex of the Republic of Crimea, the dynamics of the tourist flow are analyzed; the problems of the development of the tourism and recreation complex, and its competitive advantages are identified. The contribution of the tourism and recreation complex to the GDP of various countries, as well as to the development of the economy of the Republic of Crimea, is analyzed. The necessity of cluster development of the tourism and recreation complex of the region is substantiated. Taking into account the current trends in demand for the services of the tourism and recreation complex, it was proposed to develop one of the most dynamically developing segments of the tourism market – accessible tourism. Based on the ranking methodology, the effectiveness of functioning of the subjects of the regional market of tourism and recreation services has been determined. The results of the analysis show the problem points in the development of the regions and made it possible to determine the priority directions of their socio-economic development. The factors that restrain investment activity in the region are highlighted. The prospects for the development of the tourism and recreation complex are determined, strategic directions for the development of the tourism and recreation complex of the Republic of Crimea are proposed.

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Keywords: Tourism and recreation complex of the Republic of Crimea, strategic management of tourism development, market of tourism and recreation services, cluster, labor potential



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1. Introduction

The sustainable development of tourism and recreation of any region is a rather complex multifaceted process that requires effective use and a rational combination of infrastructural, financial, economic, personnel, and innovation potential. The promotion of the local tourism, recreation and resort areas is aimed at solving strategic issues: creation of a modern competitive tourism and recreation complex (henceforth TRC) that ensures the socio-economic development of the region, and what is more improving the life quality and strengthening the population's health. The current level of development of TRC of the Republic of Crimea requires formation of an effective management system for its development, which would determine the goal, objectives, principles and tools of the market and state regulation.

2. Problem Statement

TRC of the Republic of Crimea adds to the degree of economic and financial stability of the region, providing about 25% of all local revenues. To implement the regional strategy of the promotion of the tourism and recreation, it is necessary to use effectively its resource potential and form effective mechanisms for managing the development of TRC of Crimea.

The topic of the formation and implementation of the regional strategy for the development of TRC of the Republic of Crimea are the subject of several research works: (Bondarenko et al., 2020; Buzni, 2020; Dyshlovoy et al., 2020), the peculiarities of the tourism-recreation system development (Onishchenko et al., 2019; Yakovenko & Strachkova, 2019), the assessment of the recreational capacity and natural and recreational potential of resort areas (Kalinina et al., 2020), the use of human resources (Madera, et al., 2017). Certain regional issues of the development and functioning of TRC of the Republic of Crimea require study in the context of modernization processes. To solve the highlighted problems, it becomes necessary to work out effective measures to stimulate transformations in the region's economy.

3. Research Questions

As a part of the study we examined the following issues:

- modern trends in the development of the tourism and recreation complex of the Republic of Crimea;
- the dynamics of the tourist flow over the past 5 years;
- the contribution of the tourism and recreation complex to the GDP of various countries, as well as to the development of the economy of the Republic of Crimea;
- problem points in the development of territorial units of the Republic of Crimea;
- priority directions and prospects for the development of the tourism and recreation complex of the Republic of Crimea.

4. Purpose of the Study

The purpose of the work is to determine the factors for long-term growth of TRC of the Republic of Crimea and to elaborate strategic directions for its development.

5. Research Methods

In the course of the research, a graphical method was used – to present the dynamics of the development of TRC of the region; the coefficient method – to assess the effectiveness of the functioning of the units of the regional market of tourism and recreation services; methods of analysis and synthesis – to develop recommendations for regulating the development of TRC of the region.

6. Findings

Tourism significantly affects the economies of countries and their regions, being one of the largest profitable industries, provides about ten percent of the turnover of the manufacturing and service market in the world. Tourism and recreation play a key role in overcoming the poverty of the population of the resort areas of the world and contribute to the development of close contacts between the population of different countries and regions of the world. For example, in small island states, tourism is a key for creating jobs and generating up to 75% of the country's GDP. In the developed countries of Europe, tourism accounts for 10-15% of the countries' GDP (Tourism in Small Island Developing States [SIDS], 2014). The contribution of tourism to the economy of Southeast Asia is growing. According to UNWTO estimates (Pololikashvili, 2019), by 2030 the number of international tourist arrivals will amount to 1.8 billion. The average annual growth rate of tourist flows is estimated at 3-4% per year. The total contribution of tourism and travelling to global GDP had grown by about 10% by 2020. In addition, the industry will create over 21 million jobs, and the employment rate in tourism is about 10% (325 million employees). These indicators undoubtedly have large regional differences. Over the past two decades, the rate of tourism development has outpaced the growth rate of exports of goods and services. In 2019, all regions saw an increase in international tourism. Nonetheless, geopolitical and social tensions and the global economic downturn, the COVID-19 pandemic, together contributed to a slowdown in growth in 2019 and especially in 2020, compared to exceptional growth rates in 2017 and 2018 (UNWTO, 2020, p.7).

Despite the existing rich tourism and recreation potential, the Republic of Crimea is little known in the world market of tourism and recreation services and occupies less than 0.5% of the world volume of services. The sustainable development of tourism has become possible thanks to modern technologies for the effective organization of tourism and recreation space. World experience shows that the most advanced technologies include the creation of special economic zones of a tourist-recreational type; tourism and recreation clusters of municipal, interstate, regional, interregional (national) and transboundary (international) levels; innovative technologies to promote regions and countries in national and international tourism markets; technology of scientific support and staffing of the tourism industry.

The Republic of Crimea possesses all the necessary features for the effective functioning of tourism. However, it is necessary to highlight a number of pressing problems that impede its continuous

development and entry into the international market of tourism and recreation services: undeveloped infrastructure of resort areas, a high level of deterioration of the material and technical base of organizations, a lack of qualified personnel, uneven development of tourism and recreation potential, seasonality of the functioning of accommodation facilities, a high proportion of illegal accommodation services for recreants, etc.

On the territory of the Republic of Crimea, there are currently about 825 collective sanatorium-resort organizations and hotels, 151 facilities of which provide specialized sanatorium-resort treatment, 316 facilities provide health services, 358 facilities provide temporary accommodation services. Thus, the number of Crimean health resorts involved in treatment and health improvement is 467 objects. The average level of their utilization in 2020 was 70%, and in a number of regions it exceeded 95%. In recent years, about 80 sanatorium-resort and hotel organizations have been modernized. At the same time, Crimea lacks 4, 5-star hotels. The main stream of leisure travelers is located in 3-star accommodations and the private sector.

The dynamics of the tourist flow to the Republic of Crimea indicates an increase in the number of recreants over the analyzed period, excluding 2020, when the influx of tourists and recreants was affected by quarantine in connection with the coronavirus pandemic (Figure 1).

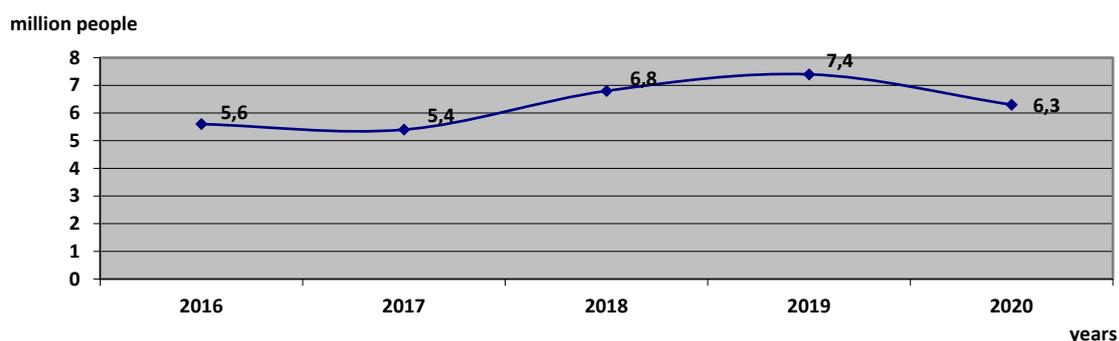


Figure 1. Dynamics of the inbound tourist flow of the Republic of Crimea in 2016-2020

In addition, in the Republic of Crimea there are 4.5 thousand households providing temporary accommodation services and 14 thousand landlords. This private sector receives about 80% of the tourist flow to the region (about 4 million tourists per year), maintaining a high level of "shadowing" for many years.

Modern modernization processes in the development of tourism are associated with trends of growth in the number of single-parent families with working mothers; diversification of employment patterns (short annual vacations, combined weekends, divided vacations), which leads to an increase in the number of unorganized tourists spontaneously organizing their vacation (up to 80% of the total number) (Figure 2).

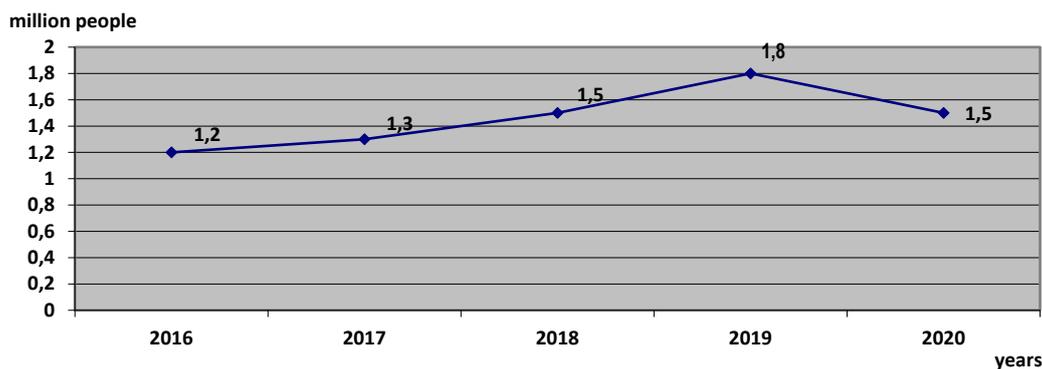


Figure 2. Dynamics of the organized tourist flow to the Republic of Crimea in 2016-2020, million people

The world practice of public-private partnership is being implemented in the region, thanks to federal funds, investment platforms with infrastructure that allow the development of resort areas are being organized, 5 Crimean tourism and recreation clusters are functioning. Competitiveness, efficiency of recreation areas, innovation, satisfaction of tourists with recreational services, the level of employment of the population increase significantly when they are implemented in the form of clusters due to a variety of types of services, the introduction of innovations with high efficiency. State activities to support clusters should be aimed at eliminating barriers to innovation and stimulating investment in labor potential and infrastructure, which provides sufficient opportunities to achieve a high level of employment of the local population and meet the needs for tourism and recreation services of Russian and foreign tourists.

In our opinion (Abdullaev & Kadzhametova, 2015), the clusters should include organizations that provide not only tourism, but also sanatorium-resort services, which will significantly reduce the seasonality of the functioning of organizations. The need for the development of a sanatorium-resort complex is determined by the need to improve health and improve the quality of life of the population of the region and the country. The widespread use of advanced technologies, diversification of medical and preventive services will enhance the competitiveness of tourism and recreation services in the region.

The prospects for the development of TRC of the Republic of Crimea include: an increase in the share of short-term tours; growing demand for customized tours; the demand for family hotels, the growth of the market segments for persons of the "third, fourth age" and people with disabilities; interest in medical services and health care during travel, etc.

One of the fastest growing segments of the tourism market is the accessible tourism. Accessibility is guaranteed throughout the tourism industry at the national and local levels, starting with the creation of conditions for transfers, accommodation, meals, and leisure activities for people with disabilities, people with dietary restrictions, etc. This type of tourism can hardly be called mass, but the demand for accessible tourism is growing all over the world and appears in Russia. Today, 7% of all tourists in the world are people with special needs, often traveling with relatives or friends. It should be noted that the goal of accessible tourism is not only to attract people with disabilities to tourist trips. Potential consumers of this part of the tourism market are also the elderly and young people, students and families with small children who need special treatment for various socio-economic reasons.

The policy of accessibility of this type of tourism should be focused on age, physical characteristics and disabilities (ramps, wide doors, elevators and lifts, signs) and provide, in accordance with them,

accommodation facilities (hotels), transport and its infrastructure (airport, railway station, road services). Regions for the development of this type of tourism should be accessible to all types of transport, and facilities located in these regions should be financially affordable. Tourists should be provided with the ability to move regardless of physical or social conditions and human capabilities (social tourism, senior tourism, fourth-age tourism).

For such a diversification of tourism services, it is necessary to encourage investment activity in the region. In order to develop TRC of the Republic of Crimea, the effective operation of its financial mechanism is required, i.e. optimization of tax, customs, currency regulation. This will provide government incentives for the influx of foreign and domestic tourists, the development of depressed resort areas and social tourism; stimulation of the inflow of investments into the Republic of Crimea, activation of medium and small businesses, development of their microcrediting system, subsidizing activities for the implementation of investment projects. The main factors constraining investment activity are investment risks, a high interest rate on commercial lending, etc. In turn, to improve the investment climate in the Republic of Crimea, it is necessary to ensure the maximum level of return on invested capital, provide tax incentives, information and financial support, increase the level of personnel training, create a modern innovative infrastructure, assure the availability of natural and recreational resources in all resort areas of the Republic of Crimea, etc.

TRC makes a significant contribution to the development of the regional economy through the inflow of foreign currency, an increase in the number of jobs, and tax revenues to the budget. Tax revenues from the tourism sector in 2020 amounted to 3.842 billion rubles. The related industries, such as trade, transport, catering, provide 25-30% of the republic's budget revenues (Figure 3).

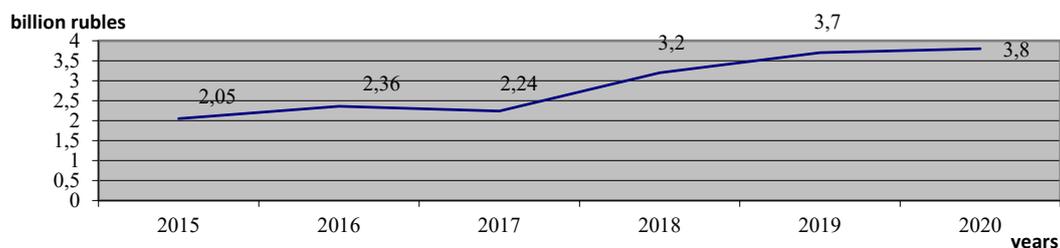


Figure 3. Tax revenues to the budget of the Republic of Crimea from the activities of organizations of the tourism and recreation complex in 2015-2020, billion rubles

The volume of tax revenues to the regional budget can be increased by legalizing shadow revenues. To effectively regulate the process of financing the development of TRC, it is necessary to provide business entities, which are operating in the field of priority areas for the development of the region, with benefits for the payment of regional taxes to stimulate the inflow of the in-house financial resources and accelerate the development of resort areas.

An important problem that hinders the development of TRC, like any other industry, is the lack of highly qualified personnel. The service sector, which includes tourism and recreation, reacts especially sharply to this problem, since the spoiled impression of a vacation due to poor service leaves no chances

not only for a re-visit by a dissatisfied recreator, but also for a huge number of other potential customers. After all, a modern tourist actively shares his impressions on social networks and websites of tourism and recreation organizations.

The dominant tourism tendency of the is the formation and development of the experience industry. Tourism services are valuable if they are able to provide the consumer with a qualitatively new, unique and exclusive experience in the resort area, which is based on the originality of culture and cultural traditions, natural diversity of destinations, unusual resources, creativity and technological effectiveness of infrastructure, hospitality of residents and the qualifications of tourist personnel.

It is necessary to form this strategy for the development of the labor market and closely interact with educational organizations and enterprises of the region, as future employers, and direct joint efforts to train highly qualified personnel that meet the requirements of the most demanding clients. The system of training personnel for TRC of the region should be aimed at opening new demanded specialties and improving the quality of personnel training, as well as at the continuous process of training and improving the qualifications of personnel throughout their careers (Lifelong Learning, etc.).

The tourism product of the Republic of Crimea is conditionally divided into regions and is in demand unevenly, and accordingly has different efficiency. On the basis of the ranking methodology, the effectiveness of the functioning of the subjects of the regional market of tourism and recreation services was determined, indicating the high potential of certain regions: Yalta, Simferopol. Low-potential areas include Nizhnegorskiy, Sovetskiy, Krasnogvardeyskiy, Pervomayskiy and Leninskiy districts (Figure 4).

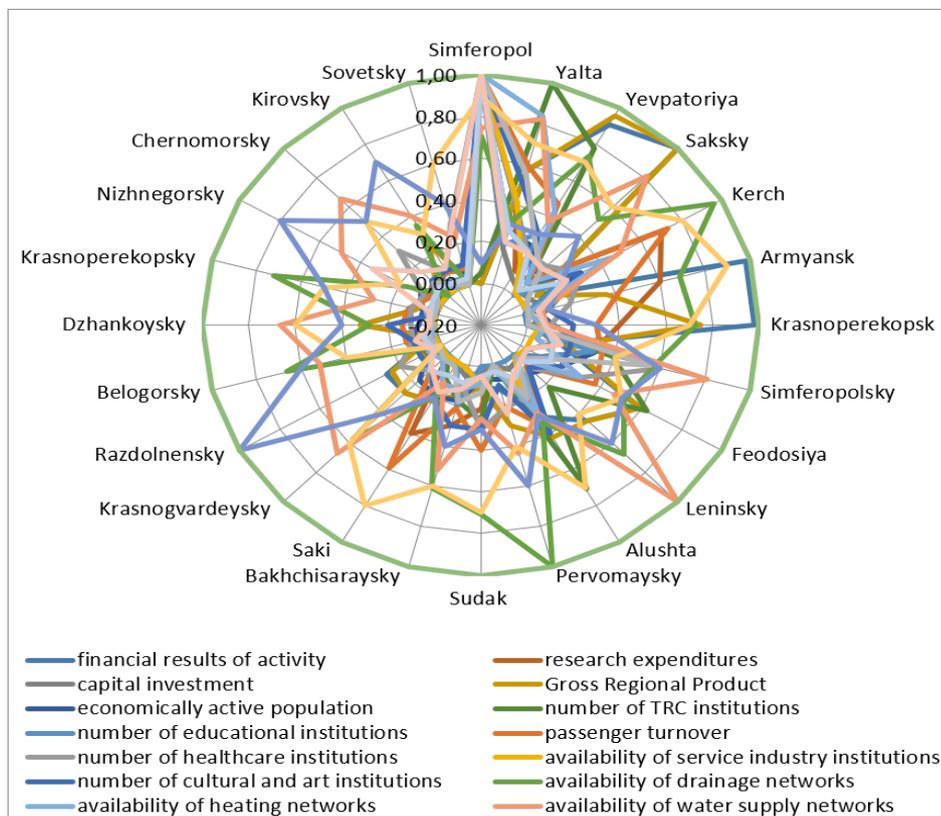


Figure 4. Assessment of the efficiency of functioning and the level of development of the tourism and recreation complex of the Republic of Crimea

7. Conclusion

The results of the study indicate the level of integrated development of individual regions of the Republic of Crimea and allow planning directions for their further development. The results of the analysis also show the problematic points in the development of the regions and make it possible to determine the priority directions of their socio-economic development.

Improving the mechanism of using the existing resource potential is based on improving the infrastructure of TRC that meets modern requirements; the use of environmentally friendly fuels, industries, transport, etc. For the year-round functioning of TRC of the Republic of Crimea, it is necessary to stimulate the development of the road transport network for promotion of tourism and recreation services into the international market, the development of cruise and yacht tourism.

The priority directions for the development of the TRC of the Republic of Crimea are improving the infrastructure of recreation areas, improving logistics and material and technical support, creating a favorable investment climate; elimination of barriers to the development of small and medium-sized businesses and its state support, diversification of tourism and recreation services aimed at different market segments, to smooth out the seasonality and to ensure year-round operation of the TRC; legalization of the activities of guest houses and self-employed persons; formation of an effective marketing strategy in the international and domestic markets; changing the pricing policy in accordance with the quality of recreational services; continuous training and development of human resources. The solution of the identified problems will undoubtedly contribute to the development of TRC and increase its contribution to the socio-economic growth in the Republic of Crimea.

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