



Tourism Industry Sustainable Development in Russia: New Challenges and Effects for the Regional Economy

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Abstract

The article is devoted to the study of trends in the development of the Russian tourism industry, as well as determining the effects of sustainable tourism development for the regional economy, including during the COVID-19 pandemic. The authors identified mainly positive dynamics in the tourism industry development in the period 2011–2019 (growth of gross value-added indicators of the tourism industry, expansion of tourist infrastructure, growth of employment in the sector, increase in paid tourist services for the population). The authors analyzed the practice of implementing the sustainable development concept in the activities of tourism organizations in Russia, as well as proved that such practices are fragmented, and regions with a high level of sustainable tourism development are practically absent. It is assumed that the crisis period of the COVID-19 pandemic was the starting point for the reorientation of the industry to the domestic and local tourism, changes in pricing mechanisms for tourist services, as well as the emergence of new forms of tourism that meet the principles of sustainable development. The effects of sustainable tourism development for the regional economy (economic and infrastructural, societal, digital, environmental) are described, as well as proposals for the implementation of state policies aimed at achieving them are formulated.

Keywords

Tourism • Sustainable tourism development • Region • Effects for the regional economy • Fixed capital investment

JEL Code

L83 • L88 • O11 • Q56

1 Introduction

At the present stage, the processes of technological development and digitalization are becoming determinant in the life of society. During this period, more and more problems of ensuring the social well-being of a person and maintaining the conditions of his safe existence acquire a new meaning (Karpunina et al., 2019; Karpunina, Tavbulatova, et al., 2021).

Therefore, the sustainable development concept is increasingly resonating in the world community as an effective tool for achieving a balance between the economic, social, and environmental dimensions of human life. Its elements are actively implemented in various industries and spheres of activity, including the tourism industry (Cooper & Vargas, 2004; May, 1991; Porter & Linde, 1999). Practice shows that due to the introduction of the sustainability paradigm, it is easier to identify the unique features of specific territories and ensure their competitiveness in the tourist market (Ilkevich, 2018).

The crisis stage in the development of the tourism industry caused by the COVID-19 pandemic has become a prerequisite for changing the vector of development of tourism activities, strengthening the processes of regionalization, and revising approaches to creating promising types of tourism in Russia (Federal Agency for Tourism, 2020b).

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This period may be a turning point in the transition to the implementation of the sustainable development concept in the tourism industry and the corresponding effects of the regional system.

2 Theoretical Basis of the Research

The concept of “sustainable development” means achieving a balance in the system of “economy–society–ecology.” Thus, the starting point of the study by Porter and Linde (1999) is the assumption that environmental pollution is a consequence of inefficient use of resources. Accordingly, the achievement of sustainable development is possible by stimulating innovation and increasing competitiveness. Cooper and Vargas (2004) argued that effective management consists in the rational use of limited natural resources and only in this case can sustainable current and future development be achieved. The desire to achieve sustainable development of the economic system is based on the existing relationship between environmental stability and economic well-being in the long term (Dernbach, 1998; Karpunina et al., 2020).

Numerous studies of scientists are aimed at finding tools to ensure an optimal combination of environmental, socio-cultural, and economic factors in the tourism industry development. For example, (May, 1991) proposed mechanisms for achieving economic growth, employment, and externalities as a result of sustainable tourism development. Gamma and Mai (2018) emphasize that sustainable tourism development is becoming part of the value creation process and an integral business development target, going far beyond the regulation of the tourism industry.

Sozieva (2009) attempted to systematize the effects of sustainable tourism development, highlighting the multiplicative and synergistic effects that are achieved through the development of the business environment, stimulating investment activity and diffusion of knowledge. The existence of the effect of transport links in ensuring the sustainability of tourism systems is indicated by Hoyer (2000). The content of the “flow effect” from the tourism industry development is revealed in their studies by Ma et al. (2015). Lejrraga and Walkenhorst (2010) argue that there is a dependence of the regional economy on the tourism industry development.

The conceptual basis of this work was the research and publication of such scientists as Karpunina et al. (2021).

The authors also used the materials from Interfax (2020) (Karpunina et al., 2019) in this article.

3 Methodology

The purpose of the study is to show what effects the regional economy can get from the sustainable development of the tourism industry, as well as to form recommendations for improving the state policy that ensures their achievement.

Tasks: (1) to identify the specifics of the tourism industry development in Russia; (2) to reveal the sustainable tourism development concept, as well as to assess its presence in Russian conditions; (3) to systematize the effects of sustainable tourism development for the regional economy, and to justify a set of measures aimed at ensuring it.

Research methods: theoretical analysis method, systematization method, comparative analysis method, graphical method, economic analysis method, system approach.

4 Results

4.1 Specifics of the Tourism Industry Development in Russia

The tourism industry in Russia until 2020 was characterized by a trend of stable growth. This applied both to the development of domestic tourism destinations and to the increase in the flow of tourists traveling outside the country (Karpunina, Tavbulatova, et al., 2021).

Thus, we present in Fig. 1 the dynamics of the gross value added of the tourism industry in the period from 2011 to 2019.

The dynamics of growth in this period ranged from 6.23% in 2016 to 25.29% in 2017. It should be noted that in 2011–2018, the tourism industry contributed an average of 3.4% to the country's GDP annually.

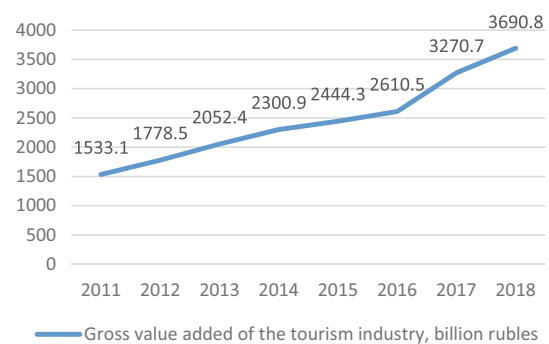


Fig. 1 Dynamics of growth of gross of the tourism industry value added, billion rubles, 2011–2018. *Source* Compiled by the authors according to Federal Agency for Tourism, 2020b

During the study period, the number of persons placed in collective accommodation facilities increased by 2.5 times and amounted to 76 million people in 2019. Of these, 65.19 million people are Russian citizens; 10.86 million people are foreign citizens.

Of course, the growth of the tourism industry is possible due to the expansion of the tourist infrastructure, that is, the appearance of new hotel complexes, resort organizations, an increase in the number of rooms, restaurants, cafes, and bars (Fig. 2).

So, in the period 2011–2019, the number of hotels and other accommodation facilities increased by 2.5 times, the number of restaurants, bars, cafes raised by 1.4 times, and the area of rooms of collective accommodation facilities also grew by 2 times: from 11,776.5 thousand square meters in 2011 to 22,215 thousand square meters in 2019.

In terms of the economy, it is important to increase investment in fixed assets of accommodation facilities (hotels, places for temporary residence) (Fig. 3).

As can be seen from the diagram, investment in fixed capital of placements facilities due to the influence of numerous factors (stability of economic development, state support of the sector, the impact of global crises, the

well-being of the credit system) has an unstable dynamics: the most favorable period for investment occurred in 2012–2014, when the volume of investment in fixed capital of placements increased by 2.9 times. This was followed by a period of sharp reduction in investment activity, and the subsequent stabilization occurred in the period 2017–2018, however, without reaching the previous volumes.

A manifestation of the social effect of the tourism industry development is the employment growth. Thus, the number of people working in travel companies increased by 1.3 times in the period 2011–2019. In the same period, the number of tourist companies grew 1.23 times.

The positive dynamics of the development of the tourism industry in Russia is also evidenced by the growth of paid tourist services for the population (Fig. 4).

Thus, the volume of paid tourist services in the period 2011–2019 increased by 1.6 times, paid services of hotels and similar accommodation facilities by 2 times, and paid services of specialized collective accommodation facilities by 4.2 times.

However, the situation with the COVID-19 pandemic has undermined the positive dynamics of the tourism industry. In 2020, the high incidence of coronavirus in many countries imposed quarantine measures and requirements of isolation, termination of air, and other types of traffic stop activity of the enterprises of the tourist industry, as well as the closure of leisure facilities has created preconditions for the disproportionate damage from the coronavirus to the tourism industry. There was a decrease in the number of international tourists in May 2020 compared to May 2019 by 98% and by 56% in January–May (year-on-year). Measures taken by the Russian government to reduce the negative impact of the pandemic on the tourism industry in the form of financing the cashback program for the purchase of domestic tours (in the amount of 15 billion rubles) became an effective tool for supporting domestic tourism and ensured the sale of 2 million tours, stimulating the spending of Russians on tourism in the amount of at least 103.75 billion rubles (Misikhina, 2020). In addition, the state implemented a set of measures to compensate tour operators for unrealized tours, delay the provision of accounting reports, provide interest-free loans to pay salaries in the industry, and delay rental payments, a moratorium on bankruptcy, and so on (Federal Agency for Tourism, 2020a).

Obviously, in a pandemic, the subsequent tourist industry development in Russia will be dominated by the following trends: the shift to domestic and regional/local tourism; increase in the number of independent tourists compared to purchasing package tours as a result of the reduction in family budgets and the Internet technologies development; changing vehicles; and modifying of the pricing (increase in the share of transport expenses in the travel services cost; growth in demand for trips in an economical format;

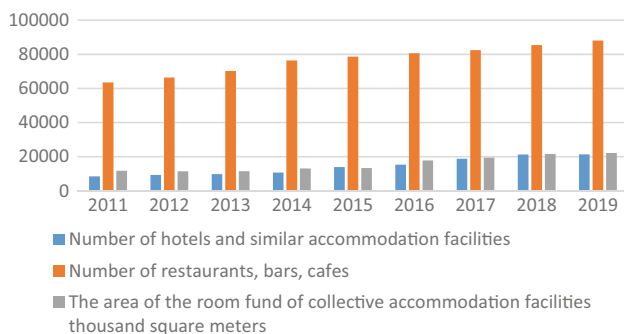


Fig. 2 Dynamics of tourism infrastructure development, 2011–2019. *Source* Compiled by the authors according to Federal Agency for Tourism, 2020b

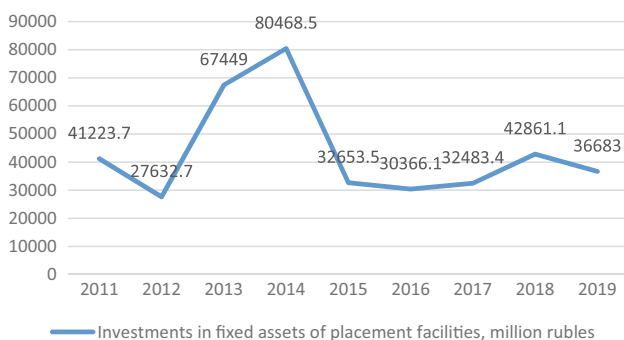


Fig. 3 Dynamics of investments in fixed assets of placement facilities, million rubles 2011–2019. *Source* Compiled by the authors according to Federal Agency for Tourism, 2020b

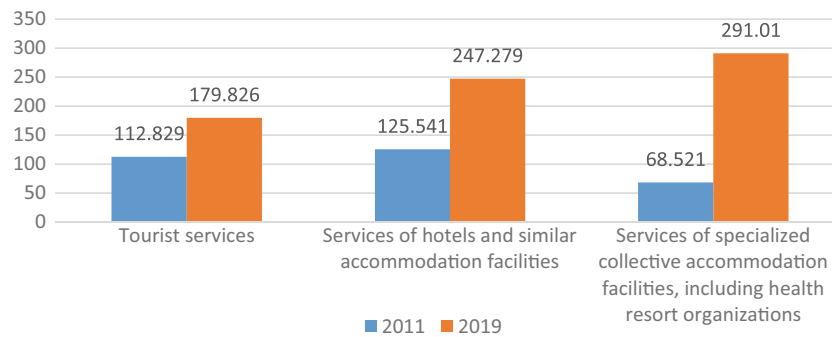


Fig. 4 Dynamics of growth of paid tourist services for the population, by type of services, billion rubles, 2011 and 2019. *Source* Compiled by the authors according to Federal Agency for Tourism, 2020b

displacement of long-distance trips to the premium segment). Thus, the regionalization of mass tourist services becomes a key vector of development of the tourist industry in Russia.

4.2 Sustainable Tourism Development in Russian Conditions

The concept of sustainability in tourism is associated with reducing the impact on local ecosystems, reducing the carbon footprint, as well as increasing the economic benefits for local communities. Major tour operators (Booking.com, Amadeus, TUI) implement sustainable strategies, work with start-ups, and collaborate with local authorities and communities. In the Marriott hotel chain, guests are offered to give up the daily change of bed linen and towels, in exchange for receiving bonuses to the loyalty card, which allows the hotel to save on laundry, customers to receive bonuses, and in general to save resources (Rb, 2020). S7 Airlines, together with Domodedovo Airport, has started to ensure the environmental friendliness of the processes associated with on-board service. In 2020, the airline began sorting and centralized disposal of all waste that remains from on-board catering kits. Thus, every month the airline and the airport send more than 45 tons of garbage for processing.

The concept of sustainable tourism is closely related to the integration of unique cultural centers in megacities into a single infrastructure and the preservation of urban ecology through the use of alternative modes of transport for residents and tourists (car sharing, bicycle rental, electric scooters), which reduces additional emissions into the atmosphere (Khamidulina et al., 2018). As part of the implementation of sustainable tourism projects, companies can enter into various collaborations, which unite tour operators, local industries, cultural institutions, public

organizations and, thus, contribute to the unique appearance of the locality and region, as well as provide additional benefits to the client.

Classic tourism implies mass character. However, when implementing the sustainable tourism development concept, the main principle is to abandon package tours, group trips and return to discovering new things, getting in touch with local residents and customs. The penetration of such principles into commercial tourism makes it possible to form a separate niche of tourists who travel consciously and get acquainted with local hospitality, local customs, and local cuisine.

The analysis of the level of sustainable tourism development in Russian regions is carried out using various methods. One of the best options for its implementation is the calculation of an integral indicator for assessing the potential for sustainable development of the tourism industry. The method is based on statistical analysis of indicators reflecting the state of natural and cultural–historical resources, tourist infrastructure, quality of management, as well as the environmental situation in the region. So, according to the calculations of Kiyakbaeva (2017) in 2017, only four Russian regions had a high level of tourism sustainable development (Buryatia Republic, Krasnodar region, Altai region, Yaroslavl region), 39 regions of the country achieved a relatively high level of sustainable tourism development, there were 31 regions with the average level and in seven regions with low-level.

Thus, the practice of implementing tourism projects based on the sustainable development concept in Russia remains fragmented, and the sustainable tourism development itself is limited by the existence of a number of problems related to the imperfection of land relations, including the lack of effective zoning and delineation of land resources; regulation of short-term rentals based on housing stock; imperfection of inter-budget relations, manifested in the regions' lack of income due to the introduction of tourist tax; and lack of

funding for the tourist infrastructure development in the regions, transport, and logistics problems of organizing domestic tourism (Kiyakbaeva, 2017).

4.3 Effects of Sustainable Tourism Development for the Regional Economy

In a pandemic, there has been a change of the volume and nature of consumer demand, costs structure, and market environment, under the influence of new behavioral (increased anxiety and desire for personal security), so the implementation of the sustainability concept may be an effective way of overcoming difficulties on the tourism industry development, as well as maintain the regional economies well-being.

Thus, in 2020, there are two distinct vectors in the tourism industry development, including the search for new niches and the diversification of the tourist offer and the cultivation of new promising types of tourism.

The first vector is based on the activation of work with “tourists of interest” through communities with potentially high tourist activity (business communities, art tours of collectors, club activity of cross-border communities, and others) (Maximov & Belyakova, 2020). The implementation of the sustainable development principles in this consumer segment has a great chance of success. This is due to the advanced features of formation of competitive proposals for some niches (e.g., to attract freelancers working in remote format; for the organization of congress and exhibition activities and conducting business trainings in the segment of business tourism); availability of tourism potential in the country that can meet the needs of this target audience; existence of effective demand for this category of tourists; and high level of digital infrastructure development in most regions of Russia (Internet access, high network bandwidth, opportunities for using digital technologies (Bychkova et al., 2020)).

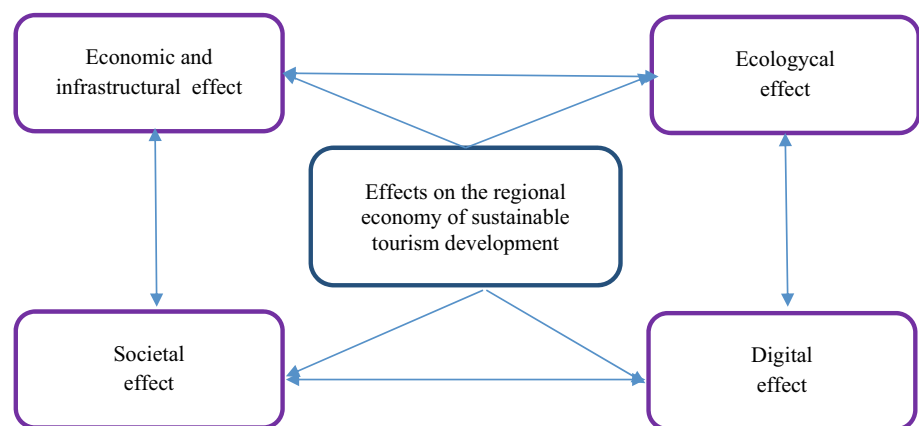
The second vector is directly related to the implementation of the sustainable development concept. Thus, during the pandemic, new types of tourism were developed in Russia, which are characterized by economy and environmental friendliness:

- Health, active, and ecological tourism (ecotourism, Arctic tourism, agro/rural tourism, media tourism, healthy lifestyle retreats, medical tourism, creative tourism, industrial tourism, gastronomic tourism, game tourism, caravanning);
- Cultural, educational, and religious tourism (new inter-regional cultural routes, school holiday tourism programs, multi-confessional tours on the heritage of world religions);
- Family and children's tourism (theme parks, specialized shifts with an educational and entertainment profile). All these types of tourism meet the requirements of personal safety, relative isolation, and, in most cases, directly implement the sustainable development principles.

The tourism industry development according to these vectors can provide economic and infrastructural, societal, digital, and environmental effects for the regional economy (Fig. 5).

The economic and infrastructural effect is that the region receives economic returns from investments in the creation of tourist complexes and the tourist infrastructure development (improvement of transport logistics, formation of an intermodal transport system, construction of airports, railway stations, sea and river passenger ports, bus stations, creation of tourist information centers, viewing platforms, shops with souvenir products) (Kiyakbaeva, 2017; Plotnikov et al., 2019). The economic and infrastructural effect can be estimated using a multiplier (the number of times that the money invested by tourists in the local economy was actually spent in the host region).

Fig. 5 Effects on the regional economy from sustainable tourism development. *Source* Compiled by the authors



Societal effect occurs when increasing costs of tourists create the need for additional manpower (expansion of the tourist industry in the region due to improvement of its infrastructure, the construction of new buildings, the increase in the number of tourism enterprises, creating new jobs on the markets for local food products, local handicrafts), and also in improving its quality characteristics. The assessment of the direct societal effect for the regional economy can be carried out by calculating the employment rate. The indirect social effect is manifested in an increase in the income of the population of the region and a rise in the level of literacy of people.

The digital effect arises as a result of the development of new types of tourism based on high-quality digital infrastructure of the region. On the one hand, this requires financial and organizational efforts on the part of the regional management system, and on the other hand, it becomes a factor in the growth of digital literacy of the population and the expanded realization of human potential.

The ecological effect for the regional economy consists in reducing the anthropogenic load on the territory due to the diversification of the tourist offer, the development of new eco-friendly types of tourism, as well as profiling the tourist flow to increase its marginality.

Achieving the optimal values of the described effects in Russia requires improvement of state policy, including institutional measures (solving the problem of zoning and delineation of land resources, as well as regulating short-term leases based on housing stock), anti-crisis measures (extending the subsidy principles established by the state for the period of the pandemic, as well as tax and credit support measures for tourism industry enterprises), investment measures (regarding the launch of tourism startups), as well as the intensification of digital development (to expand the range of digital services provided in the field of tourism activities).

5 Conclusions

The article reveals the specifics of the development of the Russian tourism industry in the period 2011–2019, as well as in the crisis period caused by the COVID-19 pandemic. The authors revealed the content of the sustainable development concept in relation to the tourism industry and identified the unstable dynamics of the concept's implementation in the practice of Russian regions. The authors systematize the problems that hinder the introduction of the sustainable tourism concept in Russian conditions. The authors proved that the COVID-19 pandemic provoked drastic changes in the conditions of activity of tourist organizations and the nature of tourist movements. There was a reorientation of the

industry from the priority development of external tourism directions to domestic and local directions, as well as changing the principles of pricing for tourist services. The authors proved that the emergence and intensive development of new forms of tourism during the pandemic (health, active and ecological tourism, cultural and educational and religious tourism, family and children's tourism, business tourism) is a prerequisite for the successful implementation of the sustainable development concept. The authors reveal the effects of sustainable tourism development for the regional economy (economic and infrastructural, societal, digital, environmental), as well as determine the directions of implementation of state policy that ensures their achievement.

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