

Public administrative principles of tourism industry development

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Abstract—The article presents some aspects of tourism development public administrative. The modern trends and tendencies of tourist development are analyzed. It is determined that the tourism industry is actively developing, multiplying the indicators of financial and economic activity worldwide. The active development of the tourism industry is, first of all, caused by the significant financial return on investments made in the industry and the minimal barrier to entry into the tourist services market. According to the results of legal and regulatory support analysis, the concept of tourism and mechanisms of public management in the field of tourism were defined.

The analysis of recent research and publications has identified the specificities of tourism industry development and its impact on the formation of the state tourism management system in order to provide a strategic vector of development. It is determined that tourism, along with ensuring socio-economic development at the national or regional levels, requires the creation of new approaches in the public management, oriented not only to creating conditions for the activity of directly tourist enterprises, but also to create a system of mutual development of enterprises serving the industry. Ways of public management improvement in the field of tourism were suggested. The article proposes a methodology of the game theory application in order to determine the interdependence of managerial decision-making processes in the public administrative system and its impact on the strategic development of the tourism industry.

Keywords—*tourism industry, strategic management, public administrative, sectoral economic system development.*

I. INTRODUCTION

The tourism industry is an industry multiplier. Considering the tourism development peculiarities, it should be noted that tourist activity gives a significant financial return with minimal initial investment. Statistics show that for each unit that is invested as an investment in the industry, the profit will be four units. In addition to the fact that tourism is one of the most

profitable sectors of the economy with a low barrier to entry, it is worth noting that the development of tourism contributes to the development of related sectors of the economy, in particular, the provision of accommodation, catering, medical services, agriculture, development transport and communication, tourist infrastructure, construction and others.

Thus, the tourism industry has considerable potential for further development, showing steady trends in the growth of major financial and economic indicators and growth of world tourist flows, which can ensure the development of the global economic system and the achievement of the global goals of sustainable human development.

II. ANALYSIS OF RECENT RESEARCH AND PUBLICATIONS

The topicality of tourism development as a socio-economic factor for strategic development at the global, national and regional levels has attracted the attention of many scholars. In particular, the work of such scientists as A.M. Bilotil [1], whose work identifies the mechanisms of public management as an example, developed at Black Sea region as one of the most tourist attractions. MP Malska, A.M. Grishchuk, Yu. Masyuk analyzed the world experience of public management in the field of tourism and ways of its introduction into the national system of tourism relations [2]. The retrospective of the formation of the system of public administrative in the field of tourism was explored in his dissertation by Ye.V. Kozlovsky [3]. Bil M.M. presented theoretical and applied aspect of the strategic management system development of the tourism industry with emphasis on the regional functioning vector [4]. O.S. Kamushov presented the study of the tourism industry development factor in various systems of public administrative [5].

III. HIGHLIGHTING A PREVIOUSLY UNRESOLVED PART OF THE OVERALL PROBLEM

The relevance of the research topic has caused a great deal of attention by the authors to the development of the tourism industry. However, in the context of the transformation processes of the national regulatory and economic systems and the transition to the Euro integration development vector, it is necessary to provide theoretical and applied, theoretical and methodological aspects of public administrative of the tourism industry in order to increase its efficiency.

IV. THE PURPOSE AND OBJECTIVES OF THE STUDY

The purpose of the study is to find ways to improve the efficiency of public management of the tourism industry with a view to implementing the strategic vector of the industry's development.

To achieve the goal of the study, the following tasks are set:

- to analyze the trends and tendencies of the tourism industry development;
- to determine the basics of regulatory support for the tourism industry,
- to explore the definition of the concept of public management mechanisms of strategic development, taking into account the specificity of the tourism industry,
- to analyze the ways of the state tourism policy implementation, fixed at the legislative level,
- to accumulate proposals for improving the state tourism policy implementation, taking into account the realities of the national regulatory framework.

V. STATEMENT OF THE BASIC MATERIAL

The tourism industry peculiarities indicate the feasibility of developing the industry to ensure the sustainable development of national economies as a basis for global economic development. According to the World Tourism Organization, the tourism industry has a steady upward trend in tourist flows and major financial and economic indicators. The turning point for tourism development was 2010, when industry indicators were negative due to the crisis in the world economy. Since 2010, the tourism industry has been growing steadily and is breaking its own growth record almost every year. Thus, in 2014 the number of outbound tourists (foreign tourists) amounted to 1.15 billion people, in 2015 this figure increased by more than 4% to 1.2 billion people. The trend continued in 2016, when the flow of tourists was also 4%. Record-breaking growth was observed in 2017, at 7%, which equals 1.32 billion people traveling abroad. It has been a record growth for the industry over the past eight years. Today, the number of inbound tourist arrivals by region is unstable, because of a number of political, economic and social factors, there is a change of the number of tourists attracted in the regions. The highest growth rates in 2015-2016 were in Europe, South and North America, the Pacific and the Middle East. Due to a number of internal and external

factors, in 2017-2018 the number of tourists was accepted by African countries (the figures increased on average by 8%). The countries of the European Union continue to lead the number of tourists. The statistics of tourism industry development are presented in Figure 1.1 [1].

Thus, the active development of the tourism industry, high indicators of its economic efficiency and social orientation testify to the important role of the tourism industry in ensuring the growth of socio-economic development indicators at different levels in the system of public management.

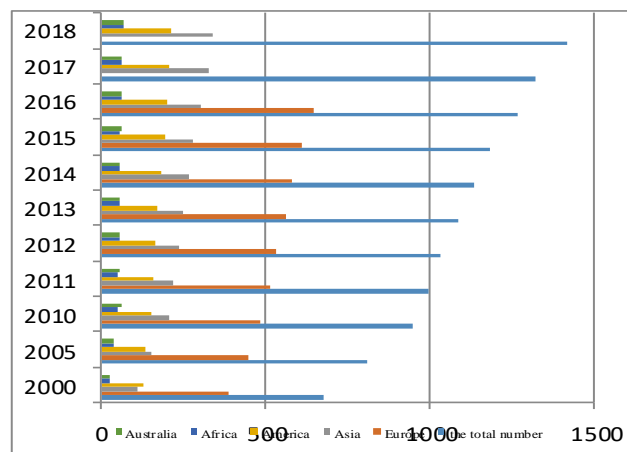


Fig. 1. Dynamics of world tourist flows in 2000-2018, million people [6]

In Ukraine, world trends in tourism development are also relevant. The figure of foreigners number who visited Ukraine for tourist purposes is shown in Figure 2.

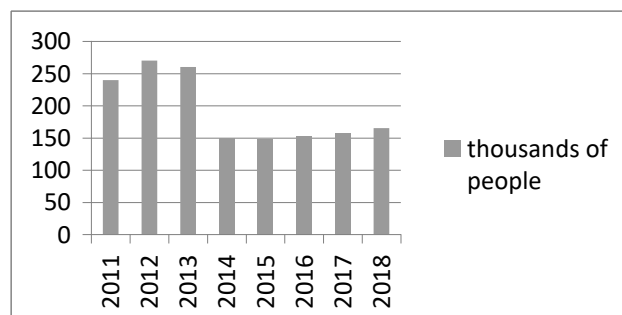


Fig. 2. Statistics of foreigners number who have visited Ukraine for the tourist purpose in 2011-2018 [6]

For comparative analysis, it is advisable to present the dynamics of tourist flows in Ukraine with the definition of exit and entry flows and balances- Figure 3

The diagram of the Figure 3 shows that the number of tourists traveling abroad from Ukraine is higher than the number of tourists' entry. Therefore, it is necessary to consider the possibility of increasing the efficiency of public management in the field of tourism in order to increase the volume of tourist flows.

In the system of Ukrainian legislation, the concept of tourism is defined in the Law of Ukraine "On Tourism", where it is interpreted as "temporary departure of a person from the place of permanent residence for health, educational, professional, business or other purposes

without performing paid activity at the place of residence” [7].

According to the Law of Ukraine “On Tourism”: “the state proclaims tourism as one of the priority directions of economic and cultural development and creates conditions for tourism activity” [7]

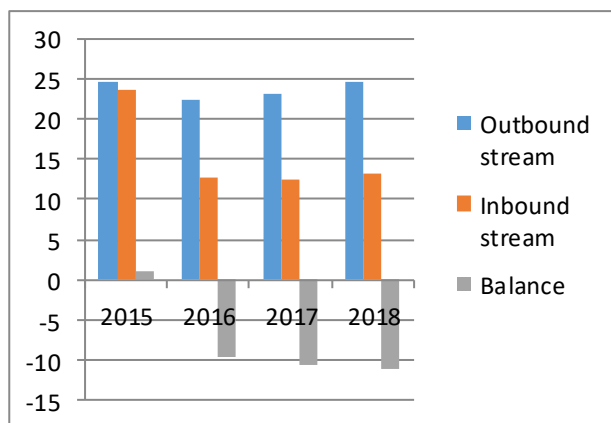


Fig. 3. Statistics of the number of tourists and the balance in 2015-2018 [6]

The state tourism policy is implemented through the introduction of public management mechanisms - a system category that integrates a set of management tools to ensure the processes of the tourism industry development.

In accordance with the specific characteristics of the tourism industry, it is advisable to determine the specifics of the implementation of public management mechanisms to ensure strategic development in tourism [3], [4], [5], [6] :

- tourism is a multifunctional sector, as discussed above, realizing socio-economic development goals, becoming an investment source for related sectors of the economy and reducing unemployment. Consequently, public management in tourism should be systemic in nature, given the sector relationship with other sectors and social impact of tourism development.

- the dualistic nature of the tourism impact on social development. On the one hand, the development of the tourism industry provides the local population with jobs, increases the level of social security: health care, education, culture, promotes a level of tolerance in society. On the other hand, tourism affects migration processes that affect the culture and traditions of the developing country, the seasonal nature of tourism causes problems for the accessibility of social services to the local population at the peak of the season and increases the level of marginality in the downturn.

- the high degree of inter-sectoral connections in the tourism industry determines the need to create a system of public management, which determines the priority of providing the tourism industry as a potential industry, capable of ensuring the strategic development of the national economy, with appropriate infrastructure.

The following principles of public management in the field of tourism can be distinguished [8], [9] :

- structuredness - the system of public management has to take into account the different levels of development directly in the tourism industry (eg global, national, regional, territorial) and its relationship with different levels of related sectors of the economy,

- comprehensiveness - provision through the implementation of public management development mechanisms of all elements of the tourism industry,

- functionality - taking into account in the system of public management the role of various functions performed by the tourism industry in society: economic, social, political, environmental, security function, etc.,

- strict schedule - the mechanisms of public management should ensure a harmonious balance of standardization and quality assurance of tourist services with the liberalization of economic development processes by creating conditions for financial motivation of tourism enterprises to increase the efficiency of their own activities.

As a result of the studies accumulation several authors [10], [11], [12] determined components of state governance mechanisms of tourism industry, namely:

- resource provision - the primary stage is the analysis of existing and potential tourism and recreational resources and determining the prospects for their use,

- environmental analysis - determining the market situation for the tourist services market, forecasting changes and developing corrective effects,

- application of administrative, legislative, financial, fiscal, socio-psychological, economic and other methods of influence to adjust the processes of ensuring the strategic development of the industry,

- institutional support, not only in the context of public sector development, but also through the liberalization of public policy for delegating part of its authority to private sector organizations and public associations, as well as decentralization by delegating a number of powers to integrated territorial communities within administrative and territorial reform,

- scientific and methodological support of tourism development by creating conditions for innovative activity of scientific institutions in support of tourism industry development,

- enhancing the information component of tourism industry development by ensuring transparency, accessibility and representativeness of the tourism industry, automation of public management and regulation.

According to the legislation, implementation of public management in the field of tourism can be carried out by the implementation of the following series of managerial functions, the purpose of which is to create the proper conditions for the strategic development - table I [7].

Thus, as a result of analysis of principles, functions, structural elements of public policy and public management system in the field of tourism, the ways to improve the strategic management of the sector are as follows:

- enhancing the information component of public management for the development of the tourism industry in order to ensure its transparency and rationalization,

TABLE I. STATE MANAGEMENT REALIZATION FUNCTION IN THE SPHERE OF TOURISM

<i>Function</i>	<i>Description</i>	<i>Improvement perspectives</i>
Prioritization	The legislation sets that the powers of the state authorities include determining priorities and directions of tourism industry development in order to form the basis of strategic management of the industry.	European practice shows that the more rational definition of promising areas of tourism industry development is to be transferred to professional associations and public organizations of specialized direction, which analyze directly practical statistics and determine the trends of industry development
Assessment of tourist resources	The legislation sets that the state is assessing tourist and recreational potential at national, regional and local levels.	In the context of decentralization reform, it is logical to delegate the authority to evaluate the tourist and recreational resources of the territories to the powers of the local united territorial communities, because at the local level, the specifics of these resources and determining ways of their rational use are clearer
Budget policy	The legislation sets that the state allocates, distributes and controls the use of budget funds that are directed to the development of the tourism industry	Due to a constant reduction of the budget expenditures for tourism industry development, it is more expedient to expand the opportunities for economic growth of the industry, for example by means of a more flexible fiscal policy, and to transfer the function of funds managing for the development of tourist infrastructure to the powers of local communities together with the transfer of revenues from tourist fees.
Standardization and licensing	The legislation sets that standardization and licensing procedures in the field of tourism are exclusively within the competence of public authorities	It is expedient to develop mechanisms for the introduction of standardization and licensing on the market by non-governmental organizations and institutions of the private sector, which will specialize in the professional determination of tourism companies compliance with the legislatively adopted norms and standards, to develop an information system to ensure the "transparency" of standardization and licensing, which will become an image industry will accordingly be an economic stimulus for development
Coordination of scientific-research work and training of specialists in the field of tourism	The legislation sets that scientific and research activity and activity of higher education institutions, including the training of specialists in the field of tourism, is governed by the legal acts that determine the main role of the state in coordinating these areas.	The legislation of Ukraine defines the right of educational establishments to academic autonomy, so it is expedient to liberalize approaches to the definition of standards and norms of research and educational processes in the field of tourism, the quality of which will be directly regulated by the tourist market and entrants themselves

- developing the capacity to manage the tourism and recreational resources of individual territories by delegating a number of powers from state bodies to local territorial communities formed in the framework of the implementation of the decentralization reform of power,

- rationalization of the state budgetary policy by liberalizing the economic activity of tourism companies and allocating budgetary funds only to the key objects of tourism and recreation infrastructure development,

- development of mechanisms for the introduction of market standardization and licensing of professional public organizations and institutions, the private sector, to ensure high quality and competent evaluation of tourism services quality,

- development and implementation of mechanisms of economic stimulation and motivation of enterprises of the tourism industry to ensure strategic development,

- systematization of public management in the field of tourism by defining mechanisms for organizing a coordinated interaction between the industries serving the

tourism industry and taking into account its social component.

To predict the strategic development of the tourism industry within transformation of the public administrative system, it is suggested to apply the game theory. In the mentioned framework we consider two participants: tourism organization (TO) and government representatives (RA). We assume that TO has n-number of development options and RA, in its turn, has y-number of options for making managerial decisions. The various actions of the tourism organization are designated $TO_1, TO_2 \dots TO_n$, and in accordance the variety of managerial decisions-taking is defined as $PA_1, PA_2 \dots PA_y$. The result represented by the taken choice of particular game participant is entered as V_{ij} . Since in this theory we consider random options, then the result will be a random variable. Evaluation of the result is characterized by mathematical expectation, which is calculated as the average value. The mathematical expectation of this game theory application is presented in the table II.

TABLE II. MATHEMATICAL EXPECTATION OF THE GAME THEORY FOR FORECASTING STRATEGIC DEVELOPMENT OF TOURISM INDUSTRY IN TRANSFORMATIONS OF THE PUBLIC ADMINISTRATIVE

TO/PA	PA_1	PA_2	...	PA_y
TO_1	V_{11}	V_{21}	...	V_{y1}
TO_2	V_{21}	V_{22}	...	V_{y2}
...
TO_n	V_{1n}	V_{2n}	...	V_{ny}

The gist of a managerial decision lays in the selection the most effective alternative. In this case, the game theory (used in the example) allows analyzing decision-making, both at the level of the tourism organization and at the level of government in the tourism industry. The matrix is filled by statistics data on predefined parameters that most fully characterize the tourism business development and the impact of managerial decisions on this industry. To calculate the predicted parameters, a system of inequalities is compiled based on the results of analysis of matrix, where time parameters, finances or any other resources may be a limitation. Data analysis allows forecasting the impact of managerial decision making in the public administrative system on the strategic development of the tourism industry.

VI. CONCLUSIONS

Therefore, the issue of improving the efficiency of public management in the field of tourism is urgent, because it can provide strategic socio-economic development. tourism is an industry multiplier with minimal barriers to entry, so it is attractive to investors. The study presented the trends and tendencies in the development of the tourism industry and determined that it is actively developing and increasing indicators of economic activity.

This is a worldwide trend, unique to the Ukrainian tourist services market. However, in Ukraine the balance of outbound tourists is significantly outweighed by the number of inbound tourists, which indicates the need to increase the efficiency of the public management system in the field of tourism. Having defined the basics of regulatory support of the tourism industry, the study analyzed the definition of the concept of public administrative mechanisms for strategic development, taking into account the specifics of the tourism industry, their structure, principles and functions, based on the analysis, proposals to improve the implementation of state tourism policy were developed, taking into account the realities of the national regulatory framework.

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