



International Journal of Applied Business and Economic Research

ISSN: 0972-7302

available at <http://www.serialsjournal.com>

© Serials Publications Pvt. Ltd.

Volume 15 • Number 11 • 2017

Economic Development of Tourism in the Countries of the World and Its Role in the Global Economy

Yulia M. Korenko¹, Elena A. Egorova², Dmitry V. Shkurkin³, Denis G. Korovyakovskiy⁴ and Tatiana I. Kuzmina⁵

¹State University of Management, Moscow, Russia

²Plekhanov Russian University of Economics, Moscow, Russia

³Southern Regional Center of Advanced Training and Retraining, Taganrog, Russia. Email: srctr@mail.ru

⁴Moscow State University of Railway Engineering (MIT), Moscow, Russia

⁵Plekhanov Russian University of Economics, Moscow, Russia

ABSTRACT

Tourism is one of the leading and most dynamically developing sectors of the world economy. For the rapid growth rate, it is recognized as an economic phenomenon of the past century and is predicted by a brilliant future in the coming century. According to the forecast of the World Tourism Organization (WTO), the growth of the tourism industry will be irreversible in the 21st century, and by 2020 the number of international tourist visits will be 1.6 billion units. As you know, this branch of the economy is the fundamental basis of many developed and developing countries in the world. And according to the same WTO, its contribution to the world economy (gross production of services) is estimated at 3.5 trillion. (1998 data), which is equivalent to 10.9% of the world's gross domestic product. Travel and tourism provide over 11% of international investment and bring to the treasury of states in the form of tax revenues of \$ 302 billion. All this fully explains the fact that tourism today plays a major role in the global economy and is currently one of the most important Profitable businesses in the world.

JEL Classifications: L21, L26, L83, M31, Q26.

Keywords: Tourism, tourism economics, world economy, factors of tourism development.

1. INTRODUCTION

Today, the movement of people for tourist purposes has swept all the countries of the globe, and thanks to this contacts between people from different countries have become a daily reality. As a result, tourism is now one of the fastest growing types of international business.

Therefore, the interest of entrepreneurs to it is obvious and is explained by a number of factors (Barzykin, 2004). Firstly, in order to start a tourist business, it does not take too much investment. Secondly, large, medium and small firms quite successfully interact on the tourist market. And while this type of business allows you to quickly turn around capital, and (in the field of international tourism) to extract certain benefits from foreign exchange operations.

The theoretical and methodological basis of the research is the results of the works in the field of economic theory, the fundamental scientific works of domestic and foreign authors devoted to the problems of the tourism economy.

The work used general scientific methods of analysis of comparative, index, graphical, expert estimates, and others.

2. ECONOMIC BOUNDARIES OF INTERNATIONAL TOURISM

The economic development of tourism is characterized by impressive data on the world economic market. They show that tourism is the most dynamically developing industry in many countries of the world and that its role in the world economy is continuously growing.

The share of tourism revenues in the total amount of revenues from exports of goods and services already in 1981 was 60% in Spain, 40% in Austria.

For tourism, as the basis of the tourism industry and tourism business, the future. In the past 20 years, the average annual growth rate of the number of arrivals of foreign tourists in the world amounted to 5.1%, an increase in foreign exchange earnings – 14%.

According to the World Tourism Organization (WTO) in 1995, 576 million tourist arrivals were recorded in the world, receipts from international tourism reached 372 billion dollars (excluding receipts from international transport). In general, the volume of foreign exchange earnings from tourism for the period from 1950 to 1995 increased 1441 times. Tourism has become the leading export industry in the world.

Factors-opportunities for the Development of International Tourism

According to many analysts, the following factors are the basis for the development of international tourism:

1. Economic growth and social progress have led to an expansion in the volume of not only business trips, but also trips with cognitive purposes.
2. The improvement of all modes of transport made the trips cheaper, making them possible for many segments of the population.
3. The increase in the number of hired workers and employees in economically developed countries and the increase in their material and cultural level have increased their desire for spiritual and cognitive values.
4. The intensification of labor and the receipt of longer holidays by workers require a more meaningful holiday (Dracheva, 2005).

5. The development of interstate relations and cultural exchanges between countries led to the expansion of interpersonal ties both between and within regions.
6. The development of the service sector stimulated technological progress in the field of telecommunications, increased interest in visiting various countries and regions.
7. The weakening of the currency export restrictions in many countries and the simplification of border formalities also stimulate the development of tourism.

Economic opportunities for the development of tourism on an international scale have created favorable conditions for the development of organizational and economic processes in individual countries.

For many of them, international tourism is:

1. The most important source of foreign exchange earnings;
2. A factor stimulating the growth of the balance of payments;
3. A powerful incentive for the development and diversification of many industries (there are both businesses and individual industries serving the tourism industry).

Analysis of the state of tourism shows that the share of the Russian Federation accounted for less than 1.5% of the world tourist flow by the end of 2000. 80% of the material base of tourism needs reconstruction, investment in tourism is insignificant and tactical, other shortcomings are revealed. The RF, which has maintained its trade balance for many years, has a passive balance of payments. The main reason is tourism, which has a negative balance. This means that Russian citizens regularly export foreign currency from the country in quantities that are not commensurate with those that foreign tourists leave with us.

Potential for the Possible Development of Tourism in the Russian Federation

The potential for the development of tourism in the Russian Federation is large and, according to the WTO, it will enter the top ten countries by 2020 in the reception of tourists (47.1 million tourists a year, 2.9% – share in the world tourist flow, 6.7% % – average annual income growth for the period from 1995 to 2020), and for the departure of tourists abroad (30.5 million people a year, 1.9% – share in the world tourist flow).

The unfavorable position of tourism in the Russian Federation is explained by the fact that the tourist potential of the state is far from being in demand, and the quality of servicing of visitors does not in all cases correspond to international standards (Chernyak, 2004). Until recently, tourism in the Russian Federation is associated with sports and health promotion (health-improving, sports tourism), and not with the economy that generates significant revenues, including hard currency.

A positive factor in the development of Russian tourism is the growing number and influence of associations of tour operators and travel agents. Along with such well-known associations as RATA (Russian Association of Travel Agencies) and NTA (National Tourist Association), in recent years a number of sub-branch associations in the field of tourism have formed. Among them are the Russian Association of Social Tourism, the Television Association of Travel Agencies, the Russian Timer Association, the Association of Tour Operators of Moscow, etc. Consumers of tourist services are also united: recently, for example, the League of Protection of Travelers' Rights.

3. ECONOMIC MECHANISM OF TOURISM

A general picture of the economic mechanism for the functioning of tourism can be disclosed in the following provisions.

Modern tourism operates in a market environment controlled and regulated by the state and other financial and economic institutions and organizations. It follows that all tourist firms and organizations operate on the basis of three initial economic principles:

1. First, they prefer freedom of economic activity and, accordingly, freedom of initiative and responsibility;
2. Secondly, their economic activities objectively obey the laws of the tourist market (the laws of value, supply and demand, competition, money circulation, pricing);
3. Thirdly, state and public institutions (in particular, trade unions) make an attempt to regulate market processes in tourism with a view to introducing a social and moral principle to tourism in relation to the tourist, nature and society as a whole.

In tourism, as well as in any economic sphere, it is necessary to avoid two extremes:

- (a) absolutely commercial clean-up;
- (b) purely administrative system of the organization.

All the art of economic activity of modern tourism is precisely in order to organically combine the two principles – market and institutional, regulated.

Regularities and Features of the Tourist Market

The functioning of tourist firms in a market environment objectively requires studying the patterns and characteristics of the tourist market. In reality, this means that the modern tourism economy should cover such an aspect as a comprehensive analysis of supply and demand in the tourist market.

The main aspects in the study of the tourist market are:

1. the mechanism of functioning of the tourist market, its segmentation, seasonal character;
2. the functions of the tourist market and its segments;
3. pricing and pricing in tourism;
4. study of the factors influencing the demand in the sphere of tourism, and the influence of prices and incomes on effective demand;
5. the study of factors affecting the supply of tourism services, as well as the study of the influence of prices and factors of non-price character (investments and other non-price determinants of supply).

Economic equilibrium in the tourist market in the long-term perspective objectively requires a deep financial and economic analysis of the tourism industry (its structure, trends and conditions of development, functional role and direction). Analysis of the resources and material and technical base of tourism allows

us to approach the solution of questions about the real possibilities of the tourist offer, the balance of supply and demand for tourist services, as well as the quality of the tourist product.

The most important problem of the tourism economy is the use of labor in this industry. In this regard, the economic efficiency of tourism in its various manifestations requires in-depth analysis. The analysis of labor productivity and labor intensity requires special attention.

Entrepreneurial Activity and Behavior of a Tourist Company on the Market

Tourism Economics as the main problem explores the issue of entrepreneurship and the behavior of a tourist company in the market (Zaviyalova, Norkina & Mindlin, 2014; Bogoviz, Ragulina & Kutukova, 2016). This involves taking into account the specifics of entrepreneurial activity in tourism, deep knowledge of commercial calculation, planning of this activity, and especially business planning, as well as knowledge of accounting and management accounting.

The most important problem of entrepreneurship in tourism is the analysis of costs of a tourist company, profit, gross revenue and marginal revenue. Knowing the marginal costs and marginal revenue allows you to solve the issue of the behavior of the company in the tourist market (Chudnovsky, 2005).

The most important part of the tourism economy is the analysis of factor incomes:

- wages and labor costs;
- percent and price of capital;
- tourist rent.

Particular attention should be given to the problem of tourist rent and the marginal product. This will determine the sources of internal self-financing of tourism and establish the limits of productivity of factors of production in the sphere of tourism.

The tourism economy organically includes financial problems: the financial resources of the travel agency itself, the possibilities of using credit, the relationship with banks and the banking system, relations with the budget of all levels and taxation.

4. IMPACT OF TOURISM ON THE ECONOMY

Tourism has an impact on the economy in almost all aspects of the fundamental definition of this area of society. Economically, tourism is considered:

1. as a certain set of social relations in the sphere of production, exchange and distribution of products;
2. part of the national economic complex of this country, including certain sectoral types of production and economic activity;
3. economic science that studies tourism as a branch of the economy of a country or region (tourism economy);
4. social science that studies behavior in the spheres of production of a tourist product, its consumption, distribution and exchange. Economists analyze the processes taking place in these spheres, predict their consequences for individuals, organizations and society as a whole;

5. modern economic theory that studies the behavior of people as economic entities at all levels of the tourist economic system in the processes of production, distribution, exchange and consumption of tourist services in order to meet human needs with limited resources of the family, firm and society as a whole.

From the point of view of a fundamental economy, tourism is an economic complex, the development of which is largely explained by world economic processes and relations, rather than by immanent (internal) reasons (Chudnovsky, 2006). But tourism is also an important catalyst for the economic growth of many rapidly developing countries, as it acts as a channel for the redistribution of the gross national product between countries, which is not accompanied by the export (import) of goods and services. In other words, if tourists not only take out part of the money earned in other industries, but create new jobs in other countries.

Characteristics of Modern Tourism as an Economic Phenomenon

Modern tourism as an economic phenomenon:

1. has an industrial form;
2. acts as a tourist product and services that cannot be accumulated and transported;
3. creates new jobs and is often a pioneer in the development of new areas and a catalyst for the accelerated development of the national economy;
4. acts as a mechanism for the redistribution of national income in favor of countries specializing in tourism;
5. is a multiplier of growth of the national income, employment and development of local infrastructure and growth of a standard of living of local population;
6. characterized by a high level of efficiency and rapid return on investment;
7. acts as an effective means of protecting nature and cultural heritage, since it is these elements that form the basis of its resource base;
8. compatible with virtually all branches of the economy and human activities, because it is their differentiation and discreteness that create the difference in the potentials of the recreational environment that causes people's needs for change of places and knowledge.

Thus, tourism is able to exert an active influence on the economy of the region (or country) in which it develops, on its economic, social and humanitarian bases.

One of the first to attract tourism as an economic phenomenon in the modern world was the American economist P. Rotow, who identified the correlations between the economic stages of development of countries and the characteristic features of the development of tourism in them.

At present, the models of the economic impact of tourism on the economic sphere are much more complicated and are based not on theoretical concepts and hypotheses, but on statistical data. As for P. Rotow's model, it is still recognized as a classical almost all authority of the tourism economy (Bashkov & Silnov, 2015). Indeed, despite the cardinal changes in world tourism and the economy since 1959, P.

Rotow's hypothesis is not only not outdated, but continues to be confirmed by new statistical data and modern trends.

Economic Stages of Development of Countries and Characteristic Features of Development of Tourism in Them

And in our time the main centers of international tourism are located in economically developed countries, where tourism has become one of the symbols of the prosperity of the "middle class" and the product of mass consumption. In developing countries, as predicted by P. Rotou, domestic tourism is rapidly developing as a means of multiplying the income in the services sector, a means of employment for the local population and the development of infrastructure. Foreign tourism develops in the case of foreign investment.

The economic stages of the development of countries and the characteristic features of the development of tourism in them (Roth, 1959).

Table 1
Economic stages of development of countries and specific features of the development of tourism in them

<i>Economic stage</i>	<i>Characteristics</i>	<i>Regions</i>
Traditional society Sustainable land ownership, aristocracy, stable traditions. Very low investment efficiency, the possibility of improving the situation without significant changes in the system. Low standard of living and health	Undeveloped world Economic and social conditions do not favor the development of tourism, except for domestic tourism, which takes an elite character	Most of Africa, part of South Asia
Society awaiting change Leaders are aware of the need for changes in the external world. New ideas come Changing society Leaders are able to change the methods of production and economic mechanisms in the country. Industry and services are rapidly developing Rapidly developing society Rapid development of the industry with the predominant development of the heavy industry sector	Developing world Socio-economic conditions favor the growth of domestic tourism. Foreign tourism is also possible due to foreign investment	South and Central America, Middle East Mexico, part of South America
The society of mass consumption The developed economic potential; Production of a large number of goods and services. Rapid growth of needs in the socio-cultural environment	Developed world The main centers of international and domestic tourism	North America, Western Europe, Japan, Australia, New Zealand

Experts of the WTO in the following way characterize the dynamics of the world tourist market:

1. the growth in the volume of services will be an average of 3.7% per year;
2. growth will be achieved mainly due to the outbound market of Asia, the Middle East, Central and South America and Europe;
3. the most favorable conditions for the reception of tourists will form in Asia, although all other regions have an average growth prospect (Gorfinkel & Schwander, 2000);
4. domestic tourism will continue to develop at a higher rate;

5. long-term international tourism will grow at a faster pace than short-term tourism;
6. influence on tourism of external factors will increase: economic situation, political situation, level of travel safety;
7. a significant impact on tourism will:
System of computer reservation, technological development, improvement of air transportation, electronic information, communication systems;
8. socio-demographic dynamics in various countries of the world will become an important factor in the development of tourism;
9. the role of marketing research regulating tourism policy will increase.

Tourism as a Planetary Economic Phenomenon

Tourism as a planetary economic phenomenon is characterized by its own statistics, i.e. Information on tourism flows and trends, its regional structure, sending countries and host countries, which are constantly collected, analyzed and published annually by the World Tourism Organization.

The number of arrivals grew 21 times. The income grew 170 times.

The profitability of tourism is growing faster than the number of tourists and the number of arrivals. The return from one tourist grew from 80 to 640 dollars.

To change the role and place of tourism in the national economy, it is customary to correlate the main economic (cost) indicators of tourism with indicators measuring the volumes of national production.

The share of tourism in GDP is (in%): in Austria – 8.5, Portugal – 6.5, Spain – 4.2, Greece – 4.5, Great Britain – 1.9, Germany – 0.9, USA – 1, 0.

The share of tourism in final consumption is even greater (in%): Austria – 8.9, Norway – 6.7, Switzerland – 5.6, Denmark – 5.4, USA – 3.2.

The share of tourism in imports is (in%): in Austria – 10.7, Iceland – 11, Sweden – 7.2, Switzerland – 7.0, New Zealand – 9. In none of the economically developed countries it falls below 6 %.

World tourism has a pronounced territorial differentiation, i.e. its differences from place to place are expressed more distinctly than structural differentiation.

An analysis of the regional structure of arrivals and revenues reveals the following stable trends:

- slowly, but constantly declining share of Europe in the number of tourists received, and in the incomes brought by tourism;
- the same process occurs in America, with a particularly rapid reduction in income, i.e. Vacation in the US is becoming cheaper than a holiday in Europe, and this reflects the purposeful policy of US tour operators trying to seize the initiative in the tourist market by playing to reduce the profitability of their own tourist business (Volkova, 2006);
- tourism is rapidly developing in the countries of East Asia and Oceania. This “point of growth” of the world tourist market is characterized not only by unique recreational resources and exotic,

but also by the highest level of service in the world. And all this against the background of a lower level of expenditure than in Europe and America;

- Africa is slowly gaining tourists, turning from a highly profitable elite tourism country to the country of the cheapest tourism in the world. The flow of tourists to Africa will increase dramatically if the quality of services improves;
- the Middle East and South Asia belong to regions with poorly developed tourist infrastructure. But, apparently, as a result of the protectionist policy of the Turkish government on the development of Mediterranean tourism, we should expect rapid development of tourism in this potentially rich tourist region (Mescon et. al., 2000; Morozov, 2004). The proximity of Europe – the main supplier of tourists, the main religious relics of the world's major faiths, the clear Mediterranean Sea, the duration of the tourist season – all this creates good preconditions for a more active tourist development of this region.

According to the forecasts of WTO experts, the number of international tourists in 2010 will reach 937 million people. At the same time, the average annual growth rate will vary significantly by region. In Europe, they will be on average 2.7%, in the Near and Middle East – 4.0, in Africa – 5.0, in America – 4.6, in East Asia and Oceania – 6.8, in South Asia – 6, 1%.

The highest rate of development of the tourism industry in Turkey – about 20%. Very rapidly developing the tourism industry of Hong Kong and Portugal.

Pumping Capital from Economically Developed to Developing Countries

With the help of tourism, there is a constant flow of capital from the economically developed to the developing countries. At the same time, many countries of the world are building their economic policies on the development of tourism. To do this, they create especially favorable conditions, reducing taxes, creating free economic zones, simplifying visa formalities, implementing large national and international projects, i.e. Using mainly methods of economic stimulation of tourism development in the calculation of future revenues.

Thus, tourism is one of the most efficient industrial complexes that can't be neglected, especially when solving the problems of the economy's withdrawal from the crisis due to its structural adjustment.

The main suppliers of foreign currency to the international tourist market are Japan (18.7 billion dollars), Germany (18.3 billion dollars) and Great Britain (4.8 billion dollars).

Tourism is a universal phenomenon. There is no country that does not send or did not accept tourists. This is not the oil that needs to be imported, because it is not on the territory of the country. Recreational resource is ubiquitous, and its level is determined in the economic theory by the size of demand, which, in turn, determines the level of incomes and expenditures of the country through tourism.

The European region is constantly improving its positive balance, North America is trying to stabilize the economic situation and will soon balance the incomes and expenses of international tourism.

Japan and Australia represent precisely those countries that send their tourists much more than take strangers, and are not likely to develop their own tourism industry, especially to the detriment of the ecological state.

5. CONCLUSION

The economic space of the socio-cultural sphere and tourism covers most of the world economy. Many developed countries regard tourism and services as a priority for their economic development, since this sector is very attractive in terms of investment. Further, it contributes to the development of the infrastructure of the region or country, the inflow of foreign exchange. An example of targeted programs for the development of tourism in Russia shows a direct effect from their implementation: namely the construction of hotels, restaurants, ski resorts, roads, etc. But the actual implementation of these programs requires investments in other sectors of the economy: construction, manufacturing. The multiplicative effect from the implementation of these programs implies the involvement of various business entities (advertising agencies, trading enterprises, public catering, entertaining establishments, transport companies) in this type, which ensures the flow of money to local, regional and federal budgets.

Thus, the contribution of tourism to the economy is very large, and it is sometimes impossible to estimate its real dimensions.

References

- Barzykin, Yu.A. (2004). The targeted programs as a tool for the development of tourism in Russia. *Tourism: law and economics*, 3, 9-12.
- Bogoviz, A.V., Ragulina, Y.V., & Kutukova, E.S. (2016). Economic zones as a factor of increased economic competitiveness of the region. *International Journal of Economics and Financial Issues*, 6(8Special Issue), 1-6.
- Chernyak, A.V. (2004). *Business planning: a training manual*. Moscow: RDL.
- Chudnovsky, A.D. (2005). *Management of the tourism industry: a manual*. Moscow: Knorus.
- Chudnovsky, A.D. (2006). *Management in tourism and hospitality: a manual*. Moscow: Knorus.
- Dracheva, E.L. (2005). *Economics and organization of tourism: a textbook*. Moscow: Knorus.
- Gorfinkel, V.Ya. & Schwander, V.A. (2000). *The Economy of the enterprise*. Moscow: UNITY-Dana.
- Mescon, M.H., Albert, M. & Hedouri, F. (2000). *Fundamentals of Management*. Moscow: Work.
- Morozov, M.A. (2004). *Economics and Entrepreneurship in Social and Cultural Services and Tourism: a textbook*. Moscow: Academy.
- Bashkov, A.A., & Silnov, D.S. (2015). Investigating the possibility of using piecewise constant functions in spectral analysis of signals. *International Journal of Applied Engineering Research*, 10(24), 44211-44213.
- Volkova, O.I. (2006). *The Economy of the enterprise: textbook*. Moscow: INFRA-M.
- Zaviyalova, V.V., Norkina, A.N., & Mindlin, Y.B. (2014). Visualization of working versions of balanced scorecard strategy maps in managing regional competitiveness. *Life Science Journal*, 11(SPEC. ISSUE 11), 547-549.