

# The Management Mechanism of Sustainable Development of Regional Tourism

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**Abstract.** Managing sustainable development of tourism at the regional level is a complex multifaceted issue which largely lies in the process of searching, formation and rational use of the resources, tourist attractions in particular. Despite having an impressive potential of tourism resources, Russia fails at their equitable use and manages no more than 40-50% of its resources; meanwhile, many tourists complain of lack of comfort, inadequate tourism services and sometimes deficit of tourism services; thus, the efficiency of the tourism industry is declining.

The regional specifics of tourism are explained by the interaction of two large systems – the tourism and the region itself – which can either facilitate or hinder the development of the systems changing under the influence of global and local factors. Hence, the issue of sustainable development in the area of tourism has to be considered in the framework of the socio-economic development of the region while applying the methods of systemic analysis and synthesis. Therewith, from the perspective of tourism, the region is considered as a geographically defined territory incorporating tourist attractions and tourism infrastructure not limited by the administrative borders. Secondly, the region is viewed as an earmarked integrated resource for sustainable development and operation of tourism which serves a basis for the formation and development of tourist destinations. Thirdly, it is also regarded as a socio-economic territorial unit incorporating the area of tourism.

## 1. Introduction

According to the Decree of the President of the Russian Federation of 17.09.2018, the Federal Agency for Tourism operates under the supervision of the Ministry of Economic Development of the Russian Federation [1]. As of 2017, the share of tourism in the global GDP amounted to 11% whereas the tourism industry also employed 313 million people (about 10% of the global employment). For reference, today the share of the process manufacturing in the global GDP amounts to 16%.

According to the estimates of the Ministry of Economic Development of the Russian Federation, in 20 years the role of tourism in the global GDP will exceed the total input of the process manufacturing.

Meanwhile, Russia shows the input of tourism in the GDP equal to 5% (the figures are approximately the same for Kazakhstan), which is half the average global rates. The export of tourism ser-

vices in Russia equals about \$9 bln whereas last year the import of tourism services went over \$ 31 bln and increased by 30% over the last year [2].

Tourism is a complex activity engaging various sectors of society and economy. If not planned properly, it can have unexpected and negative effects. For this reason, tourism has to be planned at the national and regional levels. Once the global strategy and plan are set, further detailed plans for different tourist attractions, resorts and various kinds of tourism can be developed. Among the most efficient means of politico-legal impact are the programs and policy initiatives which include targeted programs, thematic plans and concepts as well as strategies of the development of economic sectors and different spheres of life.

## **2. Background**

A. E. Zlotnikova and E. V. Lebedeva maintain that tourist activity is believed to be sustainable in case there is an aggregated positive balance of environmental, socio-cultural and economic effects [3, p. 246]. The UNWTO defines sustainable tourism as such that “that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities” [4].

Development and implementation of sustainable tourism programs shall be based on certain principles and approaches and take account for the UNWTO vision and recommendations while engaging all concerned parties in the development of the long-term strategies [5]. The strategy of tourism development should focus on the following activities:

- promotion of sustainable development;
- tourism product differentiation according to the types of the target consumers;
- retaining and improvement of the competitiveness of the destination;
- creating better experiences for tourists at the destinations;
- preservation of the local resources;
- improving the quality of life for the local residents.

Strategic planning of the tourist destination development is the process of modeling efficient functioning of its tourism complex for a certain period. Strategic goals and modus operandi depend on the mission and form a hierarchal structure, or a tree of objectives [6]:

mission — strategic objectives — tactical objectives — budget-funded programs

The mission is a briefly described original role of a regional tourist destination in the external environment, viewed in a long run and based on the results of the strategic audit. The mission reveals the nature and purpose of a certain tourist destination. It should be meaningful and well-designed as its main function lies in defining the clarity of a fixed final goal of regional development. The mission frames the picture of the desired future; the latter is understood, supported and implemented by the local population and both public and private investors.

Strategic objectives decode the contents of the mission. For instance, the strategic objective of the subject (region) of the Russian Federation is achieving a certain programmed condition of regional socio-economic development within a certain period as a result of implementing one or a few basic functions of the governmental authorities at the regional level.

## **3. Focus of the research**

The following criteria are recommended to be followed when defining strategic objectives of the region [7]:

- specific nature (the objectives have to correspond to the area of competence, responsibilities and functions of the local executive authorities in the region);
- measurability (the results of achieving strategic objectives must be checked, first of all, they should be displayed via calculable figures and quantitative indices);
- relevance (the strategic objective shall be directly connected with the primary activities of the local executive authorities of the region);
- accessibility (the objectives must be potentially achievable in the long term).

When formulating strategic objectives, brevity and clarity remain the priorities whereas the use of the following has to be avoided:

- technical terms that hinder understanding for those lacking special training in the area connected with the implementation of the strategic objective;
- terms, notions and expressions that are ambiguous and can be misinterpreted;
- references to other strategic or tactical objectives, effects or results arising from achieving a certain strategic objective;
- descriptions of ways, means and methods of achieving the objective.

Once properly formulated, the system of strategic objectives of the region is expected to reflect a set of urgent needs of the society (in the long and midterm) and should be independent from the means of their achievement.

Such an approach for setting objectives implies considerable freedom when it comes to the choice of possible ways and means of their achievement (i.e. there are manifold ways of achieving each separate objective). Further stages of strategic planning (setting tactical objectives and drafting budget-funded programs) are dedicated to the selection of specific means, ways and methods of achieving objectives; assessment of risks and development of organizational activities.

The tactical objectives take a lower position in the hierarchy. The tactical objective of the region is a planned final or immediate measurable and socially important result of the mutual activity of the governmental authorities and business community of the region within the framework of one of the strategic objectives of the region. Tactical objectives of the region represent the concretized foci and ways of activity providing for the achievement of the set strategic objectives in the midterm.

Elaboration of the tourism development strategy requires taking into account specific factors that, as a whole, are inherent in the area of tourism and include:

- common features of the tourism services as an object of production and sales (intangibility, synchronization of the processes of creating services and their consumption, emotional impact instead of acquisition of property, etc.) [8].
- integrity of the product comprised of heterogeneous services [9].
- network-based production (production and consumption of services require a network of different enterprises and facilities interrelated via infrastructure channels) [10].

#### **4. Solutions, results and recommendations**

In the conceptual strategic planning, it is necessary to observe the most important condition: the planning process should be considered in aligning with the internal and external networks (clusters) of tourism enterprises [11].

At the beginning of the strategic planning of tourism development, it is necessary to carry out socio-economic analysis of the territory in the context of tourism development [12]. This stage includes: assessment of the economic and social indices of the region's development; identification of key problems and prospects for the development of the region; analysis of the competitiveness of the region's development; analysis of the development potential of the region in various areas and industries; assessment of tourism and recreation potential; segmentation of the tourism market; analysis of the strengths and weaknesses of the tourism development, as well as opportunities and threats coming from the external environment; comparative analysis of the organization and promotion of various types of tourism; identification of the priorities for the tourism development.

The further requirement is to define the strategic and tactical objectives of tourism development and to build a "tree of objectives"; the tactical objectives usually relate to different types of socio-economic benefits. The tactical objectives should reflect the balance between the economic, environmental and socio-cultural aspects [13-15].

The next step is dedicated to the systems analysis that identifies and characterizes the connections between enterprises, networks of enterprises and their relations with regional authorities. The assessed parameters include:

- tourism resources (available and potential sights and activities);

- trends in tourist arrivals;
- potential tourism markets;
- elements of the tourism infrastructure including existing and already planned tourist accommodation facilities and transportation facilities;
- major opportunities and constraints of development;
- networks of tourism enterprises – in regard to the environment of their functioning and use of potential (development and effectiveness of the cooperation between the enterprises of the destination);
- educational and training programs designed for the professionals working in the area of tourism;
- public and private organizations working in the field of tourism, their structures and human resources;
- current investment policy and availability of capital for investment into tourism facilities, services and infrastructure;
- current tourism legislation and regulation;
- tourist destinations;
- environmental conditions;
- sociocultural models and their connection with the results of tourism development.

The systems analysis is followed by building a strategic matrix of explicit and hidden effects and costs that accompany the development of the destination. Building SWOT matrix is believed to be the most efficient approach.

At the second stage, scenarios for the implementation of the strategy are developed, which requires rationalizing the objectives, defining the deadlines and means of implementation. The argumentation is solely based on the results of the SWOT analysis. Consequently, as a rule, at least three scenarios are completed – pessimistic, optimistic and realistic scenarios. Another requirement is thinking through the possible currency scenarios that take into account the volatility of the national currency.

The third stage focuses on the practical coordination of strategic planning options:

- with regional representatives of public organizations authorized to act on behalf of local residents and express public opinion;
- with environmental authorities;
- with business associations of local manufacturers that make up the tourist destination infrastructure.

Specific importance is attributed to the decisions of state and municipal officials that have to be calculated and balanced. At this stage, several scenarios for achieving the objectives should be developed; pessimistic, optimistic and realistic forecasts have to be completed.

The fourth stage of the implementation of the adopted plan focuses on the management and implementation of the set of specific activities that target achievement of certain strategic and tactical objectives; the adequate supply of resources is provided.

The last (fifth) stage implies:

- implementation of current and long-term control over the projects' progress;
- assessment of the effectiveness of the implementation of strategic and tactical objectives;
- comparison of the expected and real results of the assessment;
- adjustment of the strategic and tactical objectives and methods of their achievement.

The development and implementation of the strategy is carried out for the people; thus, they should be involved in the planning and development of tourism in their regions. If local residents are involved in the process of decision-making on tourism planning, they will most likely support this sector of the economy. For this purpose, a control commission can be created; it usually consists of the representatives of the concerned government departments, tourism industry and public organizations acting on behalf of the residents of the region. To organize public hearings and workshops on tourism in order to inform the publicity and business structures can be another option.

**Table 1.** The complex of problem-oriented support programs targeting sustainable development of tourism in the regions.

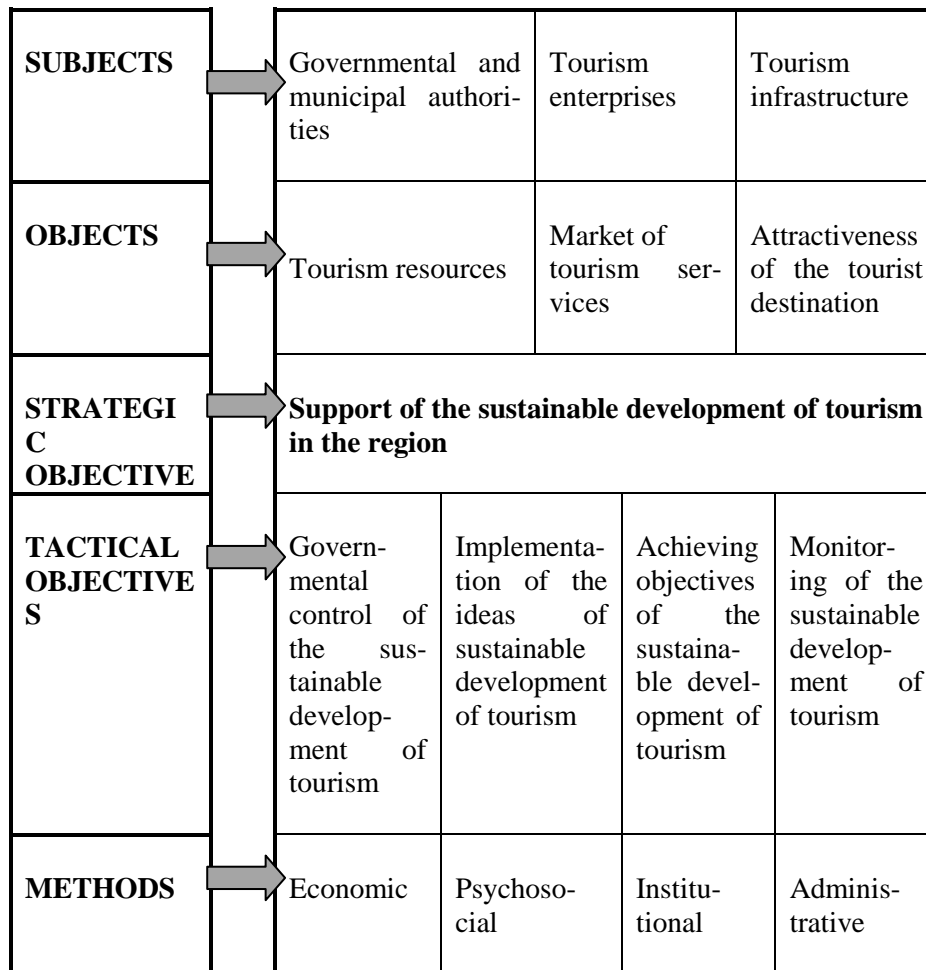
№	Principle	Nature
1	Consistency	This principle implies that the management of tourism development should be, on the one hand, complex, i.e. take into account all economic, social, political, legal and other aspects of life in the region and, on the other hand, rely on the individual characteristics of the region's development.
2	Integrity	The region is viewed as an integrated system consisting of a multitude of enterprises, institutions and organizations as well as tourism, transport, social and other infrastructure that interact and influence one another while establishing strong ties with the external environment.
3	Complexity	This principle reflects an integrated approach to forecasting, organizing and managing the system and all its constituent elements as well as the mutual influence of the elements of the system on the subject of management. All problems and aspects of the economic, social, political, environmental and other spheres of the region are considered through their close interrelation and interaction. Above all, the principle is manifested in the need to coordinate the actions of all authorities as well as in the mobilization of resources and balancing interests of different parties in achieving sustainable development of tourism.
4	Specialization	It is revealed in the individual peculiarities of the region: its geographical location, natural and climatic resources, environmental conditions, historical and cultural background, and other resources, which distinguish this territory in the context of tourist attractiveness. They predetermine the specialization of the territory in terms of the development of a particular type of tourist services.
5	Longevity	The principle involves the implementation of the main strategic objectives in the long term as well as ranging of the main objectives according to more specific tasks, setting deadlines for each stage and appointing executive managers responsible for the implementation of the objectives. The long-term implementation of the strategy allows for a more rational use of available resources and opportunities, coordination of disparate activities, ensuring strategic competitiveness, enhancement of the region's investment attractiveness and ensuring access to international markets.
6	Adaptability	The principle reflects the ability of the strategic management system to respond in a timely manner to the changes occurring in the external environment, to adequately adapt to these changes, to adjust in a certain way to new conditions and to appropriately change its goals, objectives and activities. Adaptability can be improved by predicting possible changes in the future, making strategic forecasts and strategic options of behavior in a given situation.
7	Mobilization	It literally implies the concentration of available resources used to achieve the goals of strategic management of the sustainable development of tourism in the region.
8	Follow up	It lies in providing control functions and strategy adjustment functions. Follow up is the final and most important stage of strategic management as this principle allows comparing the real results with the planned and expected ones.

Basically, the transition to the sustainable development of the Russian Federation is possible only in case of ensuring sustainable development of all its regions [16]. This implies the formation of an effective spatial structure of the country's economy while balancing the interests of all the subjects of the Russian Federation; this predetermines the need to develop and implement programs for the transition to sustainable development for each region as well as to further integrate these programs in the government policies for sustainable development.

The main goals, objectives and foci of the regional tourism development strategy should be based on the following scientific and methodological principles that reveal the features of the development and management of the strategy (Table 1).

Should all the above principles be reflected in the key strategic documents, this will allow for the effective use of all available resources and effective implementation of the strategic principles of sustainable development of tourism in order to diversify the set of activities and ensure competitiveness of the region [17-20].

The management of the sustainable development of tourism should be considered as a dynamic process implemented on the basis of a set of problem-oriented programs (Fig. 1).



**Figure 1.** The management mechanism of sustainable development of regional tourism.

**5. Conclusions**

Regional programs should take into account the aspects of the sustainable development system. In addition, the principles of sustainable development are embedded in the corporate policy of all interna-

tional investment organizations. Thus, coherent policy implemented by the region in relation to tourism and based on the same principles is of great importance for these organizations.

Tourism development is expected to give a boost to all three components of the concept of sustainable development: social, environmental and economic. In the social sphere, it contributes to the improvement of social conditions including life expectancy, access to education and healthcare services and social protection of certain groups of the population. In terms of the environmental protection, it contributes to the ecological balance and careful attitude to the natural resources and environment. Economically, tourism development helps maintain the adequate economic performance of the region allowing for the decent standard of living, growing employment, additional flow of funds from the tourist activity in the region and effective development of the regional economy in general.

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