

ASSESSMENT OF THE TOURISM FUNCTION IN REGION DEVELOPMENT

Complex nature of tourism

Multiplicity of regional development factors

Among the **positive impact** of tourism on regional development such as:

- increased domestic income and foreign currency earnings;
- economic multiplier effect;
- increased employment;
- improved infrastructure;
- tourism functioning as a tool for raising World nature and culture heritage,

Negative features of tourism for regional development:

- Leakage;
- Increase tendencies to import;
- Increased living cost;
- Effect on the quality of life of the host community;
- Irritation and environmental effects;
- Competitive with traditional land-using
- Decline of traditional employment and seasonal unemployment growth

- Potentially competitive nature of tourism and traditional sector of economy joint development
- To avoid other negative consequences
- Competitiveness of the regional tourism product
- Budget effectiveness
- Social and environmental performance of tourism in regional development



Have to take in mind

Not only the task of regional **growth**,

But regional *development* from the standpoint of the principles of **Smart Growth** and **Sustainable Development**

Active investment programmms



Each region has a specific “**territorial capital**” which generates a higher returns for specific kinds of investments which are more suited for exact this territory.

The definition of development strategies for each region is determined by the *local assets and potential* and its wise exploitation.



**Tourism is a proper way for development and economic problems solution but
not for all regions**

To develop the assessment methodology we assume the following:

- The role of tourism in the region development is defined by a **territorial capital** and therefore its development strategy;
- While the regional development strategy formation, the definition of the type of development in the future is significant;
- Depending on the strategic alternatives for the region development the stage of tourism and recreational land development been identified, tourism can be considered as:

(A)- **Core role** for region development (tourism as a sector of specialization)

(B)- **Associated** or accompanying **role** (recreation as additional area of the region economy)

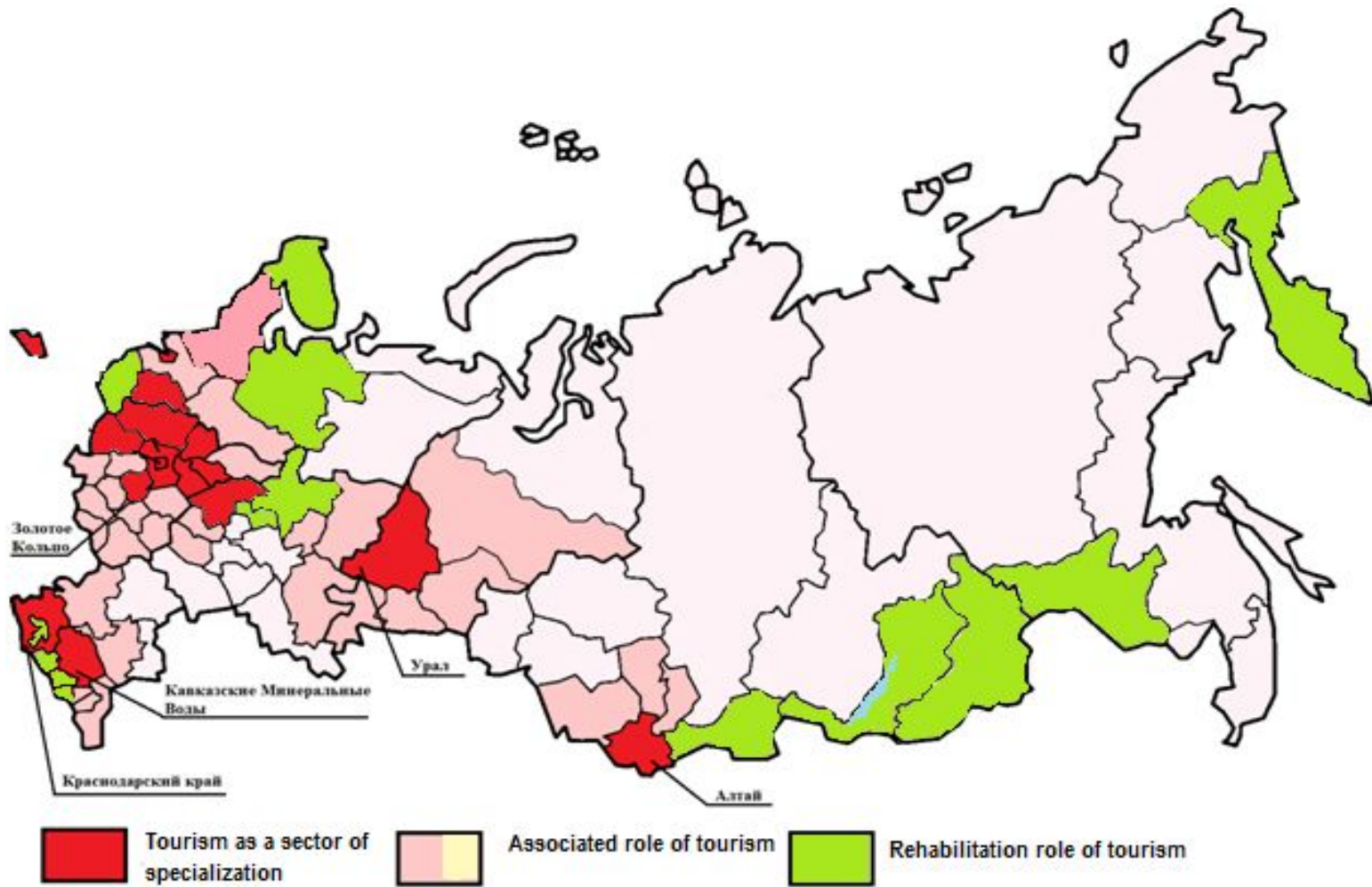
(C)- **Rehabilitation role** (tourism as a means of region economy **diversification** and restructuring)

While **the type of region development** determining the following criteria were under consideration

- resource potential of the region;
- level of socio-economic development of the region (the ratio of final consumption of households with subsistence minimum in the region);
- dynamics of indicators of regional economic development;
- place in the territorial division of labor (region mission);
- demographic developments and trends in the labor market;
- infrastructure provision;
- environmental conditions and land use

To determine ***the actual base for tourism development*** in regions the following must be considered:

- ✓ Properties of the tourism resource potential;
- ✓ Level of tourist destination marketing and effectiveness of the regional brand;
- ✓ Economic efficiency of the tourism industry in the region;
 - the rate of tourism in the sectoral structure of economy (GRP, investments volume);
 - tax revenues from tourism in the regional budget;
 - employment in tourism;
 - tourism companies profitability and revenues in the region;
 - the development of tourism infrastructure in the region;
 - indirect effects of tourism on other sectors of regional production;
- ✓ Social and ethnic environment.



THE TOURISM ROLE IN REGION DEVELOPMENT