

## Implementation of strategies to counteract the consequences of the pandemic in the tourism sector

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### Abstract

The purpose of the article is to analyze the implementation of strategies to mitigate the socio-economic impact of Covid-19 and restore the tourism sector. Estimates at the national level are quite complex and reflect the scale of the impact on tourism, as well as the challenges associated with predicting a rapidly changing and uncertain situation. Quantifying the current and future impacts of the crisis on tourism is challenging, as the crisis has exposed weaknesses in tourism statistical information systems, including the lack of reliable, comparable and timely data to support political and business decisions. A number of forecasts presented in the spring and summer of 2020 did not come true. Forecasting the impact of the pandemic on the tourism economy is faced with a high degree of uncertainty, a rapidly changing epidemiological situation at the level of national states and regions. The article analyzes the implementation of the main strategies recommended by the UNWTO to overcome the consequences of the pandemic: 1) crisis management and mitigation; 2) providing incentives and accelerating recovery; and 3) preparing for tomorrow and developing tactics to overcome the crisis in the tourism sector using the example of the countries analyzed. The recovery of tourism will depend on the interrelated effects of the economic crisis and the health crisis on overcoming the pandemic, the influence of supply and demand factors. The peculiarity of the current crisis lies in the global nature of its scale, duration, continuing uncertainty and the interconnectedness of economic, social and medical factors of influence.

**Keywords:** tourism industry, strategies, tactics, pandemic, recovery.

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The Covid-19 pandemic has negatively affected many different tourism sectors, eventually leading to large restrictions, temporary suspension of activities in a number of countries and regions. Currently, it is difficult to assess the long-term economic, behavioral, or social consequences of the COVID-19 pandemic. The year of the pandemic showed that at the national socio-economic systems level, neither the state, nor the corporate sectors of the economy, nor the household sector were ready for the pandemic. As a result of strict quarantine measures, travel restrictions related to COVID-19 were imposed in most destinations around the world, which are still sectorally in effect in the sector. Although various efforts have been made to open up the industry since June 2020, most sectors continue to struggle with the effects of the ongoing coronavirus pandemic.

Crises are a common phenomenon in tourism. Many areas have been affected by natural, man-made, political, and economic crises, and tactics and strategies have been developed over the years to ensure sustainability and mitigate the consequences [1].

However, the crisis caused by the Covid-19 pandemic was different and unique in many ways. First, the decline in travel, hospitality and tourism is observed all over the world. Secondly, the ongoing crisis may cause fundamental changes in many tourism segments. Also, due to the complexity of predicting the pandemic development, it is difficult to predict the future state and development of the tourism sector.

Since the introduction of the quarantine, millions of jobs in the global tourism sector and related industries have been lost due to the cancellation of tours, flights, events and hotels. In taking these measures, Governments around the world have sought to find a balance between maintaining their economies and preventing dangerous levels of unemployment and deprivation. They were trying to respond to public health opportunities to prevent the collapse of health systems and mass deaths.

Today, as the Covid-19 pandemic continues, the government and the corporate sector of the economy are wondering: how severe will the Covid-19 recession be; what will be the growth and recovery scenarios, and whether there will be any long-term structural impact from the unfolding crisis.

A review of the current literature about the impact of Covid-19 on the tourism industry shows that most of currently published studies are attempts to analyze the effects of COVID-19, its impact on tourism, studies of influence factors, threats, and trends of the survival of the tourism sphere [2, 3, 4, 5]. Interesting are the works

using the empirical method devoted to the dynamic stochastic modeling of the general equilibrium of the coronavirus pandemic outbreak and the state of the tourism sector. [6].

The UNWTO research note examines the adoption of these policies in national recovery plans and examines their limitations as evidence-based policies. The UNWTO Policy on supporting jobs and the economy through travel and tourism, first published in April 2020, includes a call for action to mitigate the socio-economic impact of Covid-19 and accelerate recovery [7].

Despite the fact that the consequences of COVID-19 over the past year have been analyzed by many researchers, its global and local impact on the tourism sector is unprecedented, the large-scale development of the pandemic pushes for further research on the formation of state tourism development policies based on strategic planning.

The purpose of the article is to analyze the implementation of strategies to mitigate the socio-economic impact of Covid-19 and restore the tourism sector.

The contribution of tourism to the world economy in 2019 amounted to 10.9% of GDP and about 30% of exports. Due to the peculiarities of providing tourist services, every tenth workplace was associated with the tourism industry, having a significant impact on the development of related industries. In the Russian economy, 53 industries can be identified that are integratively related to the tourism sector, which also contributed to the economy diversification.

According to the United Nations World Tourism Organization, as of October 2020, 100% of destinations worldwide had travel restrictions related to Covid-19. According to the World Tourism Organization, the number of international arrivals decreased by 70% in the first eight months of 2020. The most significant decline in international arrivals in January – April 2020 was observed in the Asia-Pacific region (51%), followed by Europe (44%) and the Middle East (40%). The decrease in the number of international arrivals in America and Africa was 36 and 35%, respectively.

Losses in this regard amounted to \$ 730 billion, it is noted that this is more than eight times higher than the losses the sector suffered in 2009 due to the global economic and financial crisis. The pandemic has significantly affected every sector of the tourism: travel agencies, tour operators, online travel organizations, hotels, restaurants, transport, cruise lines, etc.. Due to the fact that the majority of enterprises in the sphere are represented by small and medium-sized enterprises included in the large informal tourism sector, many of them may not survive the crisis without significant support. Due to the peculiarities of the tourist services provision, this has led to a chain reaction throughout the tourist supply chain, affecting trade, agriculture and other industries.

According to the World Bank's forecast, global GDP will shrink by 5.21% in 2020 (the decline in 2019 was 2.38%) and will grow by 4.16% in 2021. The dynamics of the decline in Russia's GDP in 2020 will be 6 % (compared to the growth of 1.3% in 2019), and then, according to estimates, by 1.3% in 2021.

In 2019, the direct, indirect, and multiplier effects of travel and tourism accounted for 10.3% of global GDP (US \$ 8.9 trillion) and 330 million jobs, or 1 in 10 jobs worldwide. As a result of the COVID-19 pandemic, the global travel and tourism market is projected to lose 121 million jobs worldwide and \$ 3,435 billion in global GDP in 2020.

In early May 2020, UNWTO presented three possible scenarios for the tourism sector development, which indicate a potential reduction in the total number of international tourists from 58 to 78%, depending on when the travel restrictions are lifted [8]. Since mid-May, UNWTO has identified an increase in the number of destinations announcing measures to resume tourism. These include the introduction of enhanced safety and hygiene measures, as well as policies aimed at developing domestic tourism.

Strategies and tactics recommended by UNWTO were used to analyze the national plans. Three main strategies are presented: 1) crisis management and mitigation; 2) providing incentives and accelerating recovery; and 3) preparing for tomorrow and 23 tactics to overcome the crisis in the tourism sector. Six countries were selected for the analysis.

Table 1

	Tourism as % of GDP (direct contribution) (2019)	Population, million people	Number of confirmed cases / deaths (October 2020)	Launch of national preventive measures against the COVID-19 pandemic
Russia	3,4	146	1636781/ 78632	March 2020

Germany	3,9	83,02	986 394/ 14 586	March 2020
China	3,4	1400,9	85 470/ 4 634	January 2020
Canada	2	37,5	201437/ 9778	March 2020
Italy	5,5	60,5	1028424/ 42953	February 2020
Israel	2,5	9,4	280000/2538	March 2020
Spain	5,4	46,07	11329712/ 35 031	February 2020
USA	3,7	328,2	8632814/ 224601	March 2020
Turkey	3,8	82	349 519/ 9371	April 2020
France	3,6	66,99	1 891 233/ 44 054	February 2020
Japan	1,7	126	180815/1813	February 2020

Sources: 9, 11, 12, 15, 16.

The eleven countries surveyed were selected based on geographical distribution, pandemic stages, size and shape, past historical crises, and border status. The information is based on each country's UNWTO reports on its national tourism policy and national reports. Each country's national recovery plan was analyzed according to UNWTO strategies and tactics, indicating whether the plan met the criteria: using yes/no ranking, partially implemented by category. Both the UNWTO recommendations and the current national tourism strategies of each country were reviewed.

Table 2

	First UNWTO strategy: "Crisis management and mitigation"	Second UNWTO strategy: "Providing incentives and accelerating recovery"	Third UNWTO strategy: "Preparing for tomorrow"
Employment	1.1. Promoting job retention, supporting the self-employed and protecting the most vulnerable groups Russia-partially China no Germany-partially Canada-partially Italy-yes Israel-partially Spain-partially USA-partially Turkey-no France-partially Japan-partially		
Financial assistance	1.2. Maintaining companies` liquidity Russia-partially Germany-partially China no Canada-partially Italy-partially Israel-partially Spain-partially USA-partially Turkey-partially France-partially	2.1. Introducing financial incentives for investment in tourism and operational activities Russia-no Germany-no China-no Canada-no Italy-no Israel-no Spain-no USA-no	

	Japan-partially	Turkey-no France-no Japan-no	
Regulatory measures	1.3. Checking taxes, fees, fees and regulations affecting transport and tourism Russia-partially Germany-partially China-partially Canada-partially Italy-yes Israel-partially Spain-yes USA-partially Turkey-partially France-partially Japan-no	2.2. Checking taxes, fees, fees and regulations affecting travel and tourism Russia-partially Germany-partially China-partially Canada-partially Italy-yes Israel-partially Spain-yes USA-partially Turkey-partially France-partially Japan-no	
Including in emergency care packages	1.4. Including tourism in national, regional and international economic emergency packages Russia-partly by category Germany-no China-partly by category Canada-no Italy-no Israel-no Spain-no USA-no Turkey-no France-no Japan-yes	2.3. Tourism in national and regional recovery programs, development assistance Russia-yes Germany-yes China-no Canada-no Italy-yes Israel-no Spain-yes USA-no Turkey-yes France-yes Japan-no	3.1. Preparing for the crisis, building resilience and ensuring that tourism is part of the national emergency mechanism and system Russia-no Germany-no China-no Canada-no Italy-no Israel-no Spain-no USA-no Turkey-no France-no Japan-no
Human capital	1.5. Promoting development of skills, especially digital skills Russia-no Germany-no China-no Canada-no Italy-no Israel-no Spain-no USA-no Turkey-no France-no Japan-no	2.4. Promoting new jobs and development skills, especially in the digital sphere Russia-no Germany-no China-no Canada-no Italy-no Israel-no Germany Spain-no USA-no Turkey-no France-no Japan-no	3.2. Investments in human capital and its development Russia-no China-no Canada-no Germany-no Italy-yes Israel-no Japan-no Spain-no USA-no Turkey-no France-no

Government	1.6. Forming crisis management and strategies Russia-partially Germany-partially China-no Canada-partially Italy-partly Israel-partially Spain-partly USA-partially Turkey-partially France-partly Japan-partially		3.3. Strengthening tourism management at all levels Russia-partly by category Germany-no China-no Canada-no Italy-no Israel-no Spain-no USA-no Turkey-partially France-no Japan-no
Maintaining demand	1.7. Ensuring consumer protection and trust Russia-partially Germany-partially China-partially Canada-partially Italy-no Israel-partially Spain-no USA-partially Turkey-no France-partly Japan-partially	2.5. a. Advance travel facilitation Russia-partially Germany-partially China-partially Canada-partially Italy-yes Israel-partially Spain-yes USA-partially Turkey-yes France-partially Japan-partially 2.5. b. Speed up marketing, events, meetings Russia-no Germany-no China-partially by category Canada-no Italy-no Israel-no Spain-no USA-no Turkey-no France-no Japan-no	3.4. Market, product and service diversification Russia-no Germany-no China-no Canada-no Italy-no Israel-no Spain-no USA-no Turkey-no France-no Japan-no
Plans for development stabilization		2.6. Focus on environmental sustainability in incentives and assistance packages Russia-no Germany-no China-no Canada-no Italy-no	3.5. Putting sustainable tourism on the national agenda Russia-partially by category Germany-no China-no Canada-no Italy-no Israel-no

		Israel-no Spain-no USA-no Turkey-no France-no Japan-no	Spain-no USA-no Turkey-no France-no Japan-no
Marketing strategy		2.7. Understanding the market and acting quickly to restore confidence and stimulate demand Russia-no Germany-no China-partially Canada-no Italy-yes Israel-no Spain-yes USA-no Turkey-yes France-no Japan-yes	3.6. Investments in the security systems market and digital transformation Russia-no Germany-no Canada-no China-no Italy-no Israel-no Spain-no USA-no Turkey-no France-no Japan-no
Partnerships for sustainable development		2.8. Investment in partnerships Russia-no Germany-no China-no Canada-no Italy-no Israel-no Spain-no USA-no Turkey-no France-no Japan-no	3.7. Transition to a closed-loop economy and adopting sustainable development Russia-no Germany-no China-no Canada-no Italy-no Israel-no Spain-no USA-no Turkey-no France-no Japan-no

Sources: 7, 8, 9, 10, 11, 12, 13, 14, 15, 16.

The results of analyzing the country implementation of the strategy to counter the effects of the pandemic in the tourism sector show a different approach to the adoption of these three UNWTO strategies at the national level. The first UNWTO strategy, "Crisis Management and Mitigation", was partially adopted by Governments in the countries analyzed. The Italian Government fully adopted two of the seven UNWTO tactics. Spain and Japan only accepted one. Israel and China did not accept any at all. Russia partially adopted six tactics out of seven.

The most widely used UNWTO tactics at the country level were the following:

1.1 - "Stimulating and preserving jobs, supporting the self-employed and protecting the most vulnerable groups»;

1.2 - "Support the liquidity of the companies." Each of these tactics was fully adopted by two countries and partially by four other countries.

As for the second UNWTO strategy, "Providing incentives and accelerating recovery", the analysis showed that it was partially adopted by the Governments in the analyzed countries. The Italian government implemented four tactics out of nine. In Russia and Japan, the governments implemented one each. In China, the government partially adopted four tactics, while the Canadian and Israeli governments partially implemented only two tactics.

It can be stated that of the second UNWTO strategy "Providing incentives and accelerating recovery", only two tactics were implemented: Tactics 2.2 ("checking taxes, fees and regulations affecting travel and tourism") and 2.5.a ("advance travel facilitation") were adopted in whole or in part by eleven countries.

After analyzing the measures taken by the governments of eleven countries to counteract the impact of the pandemic in the tourism sector, it can be seen that the third UNWTO strategy "Preparing for Tomorrow" has not yet been implemented since nine countries have not adopted any of the recommendations. The Italian government adopted only one of the seven tactics - 3.2: "Investing in human capital and talent development by preserving jobs." The Russian government and the "Rosturizm" national agency partially implemented the tactic 3.5. "Putting sustainable tourism on the national agenda". As for the other five tactics of the third strategy, they were not adopted by the Governments of the countries.

Based in the analysis conducted, it can be argued that the Italian government and the professional community in the field of tourism and hospitality have adopted and implemented the most recommendations: seven of the 23 were adopted in full, and one was partially adopted. The Government of Russia and the professional community in the field of tourism and hospitality adopted and implemented one tactic in full and nine tactics in part. Seven tactics were adopted and partially implemented by the Governments of Germany, China, Canada, Israel, and the professional communities in the field of tourism and hospitality. In Japan, two tactics were fully implemented, five partially. In Spain, four tactics were fully implemented, while three were implemented only partially. Turkey fully implemented two tactics, and partially implemented four tactics. France fully implemented one tactic, and partially implemented seven tactics. China, Canada, Israel, and the United States have not fully implemented any of the tactics proposed by the UNWTO.

Thus, out of 253 possible recommendations – eleven countries and 23 tactics – only 20 (7.9 %) were fully implemented and only 58 were partially implemented (22.9%). As for the third strategy, only one tactic was fully implemented by one country, Italy, and partially by the Russian government. Unfortunately, the issues of sustainable development - 3.5; 3.7, human capital - 1.5; 2.4; 3.2 and governance - 1.6; 3.3 were hardly considered by the governments of countries and professional communities in the field of tourism and hospitality.

The countries included in the sample, although different in many respects, have not yet formalized comprehensive exit strategies and recovery plans for their tourism sectors, and they are currently taking various tactical measures to deal with the current crisis as part of their national tourism policies. From the complete suspension of the industry functioning and the closure of state borders to the continuation of tourist activities in the high and middle seasons. The general trend in these countries is more towards implementing short-term local solutions. The fact that no country can unilaterally make decisions on inbound and outbound tourism is due to the nature of tourism activity.

Each of the eleven countries has taken different measures at the government level and the level professional communities. This is due to a number of decisive factors, such as the impact of the pandemic, the level of morbidity, mortality, and the spread index; the level of differentiation of the economies of these countries and the share of tourism in the country's GNP; and the institutional features of the development of national models of socio-economic systems. Most member states act alone, without applying the UNWTO strategies and recommendations.

At the same time, this sector will not become more resilient and better prepared for future crises without an international commitment to sustainable tourism. The resumption of domestic tourism will help support the tourism sector, but the real recovery will begin with the restoration of international tourism. As we can see now, the structure of tourist demand is different than we are used to, thanks to the caution of governments and tourists, and a decrease in the level of aggregate effective demand: the tourist flow largely reflects the growth of domestic tourism. The international tourist flow decreased; the duration of travel days was reduced by half.

Coordinated decisions based on risk assessment, both at the national and international levels, are important for the international tourism resumption. The UNWTO strategy "Preparing for Tomorrow" was not adopted, as countries tended to focus on local and short-term tactics for resuming tourism, putting up jobs. The third UNWTO Strategy is aimed at creating conditions and prerequisites for the long-term, sustainable development of the tourism sector. Neither national governments nor professional communities were prepared for such a large scale, the duration of the pandemic, and the measures taken in the past year were more related to crisis management. Therefore, the UNWTO Strategy "Preparing for Tomorrow" has not yet been implemented, but the tactics proposed in it are important for the sustainable recovery and development of the tourism sector in the post-pandemic period. The weakness of UNWTO tourism recovery strategies is that they are not evidence-based and provide only partial

solutions to an international problem without a coherent international database, which is fundamentally important due to the nature of the tourist servant, the value chains in the tourism sector. Deepening mutual understanding, shared goals, and a new kind of evidence-based policy are critical requirements in rebuilding the tourism industry, both nationally and internationally, in the era of Covid-19. The policy impacts and the measures taken are highly dependent on the national institutional context. These problems create significant measurement difficulties when attempting to systematically compare national responses. A shared vision with a wide range of tactics that could be implemented in different ways would probably be more appropriate for the current time.

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