

Strategic vectors of transformational shifts in the national tourism system of Ukraine

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Abstract

The article determines transformational factors, which influence a national tourism system (NTS) of Ukraine and proposes strategical vectors of its development. Research of the NTS as an economic system is a pre-condition for formation of strategic vectors of development. Transformational driving forces principally change scales, components, and proportions between external and internal factors of development of the NTS. Correspondingly, the mentioned processes objectively encourage modernization of the national tourism system and application of innovative managerial methods. The following Strategical vectors of transformational shifts in the NTS were grounded: 1) Safety of tourists and investors; 2) The normative and legislative framework of the NTS development; 3) Development of infrastructure of the NTS component; 4) Human resources development; 5) A marketing policy of the NTS promotion; 6) Ecological and cultural policies. Their implementation will improve efficiency and competitiveness of the NTS and the national economy.

Keywords: national tourism system, transformation, strategic vectors, globalization

Introduction

In the modern society, tourism transforms from a complementary factor that has facilitated the increase of potentials of national economies into a powerful system being an independent source of economic growth, economic diversification, involvement of a considerable amount of monetary funds, and formation of additional workplaces (Butler, 1980; Gunn, 1994; Sölter, 2000; Sharpley *et al.*, 2002; Babu, 2008; Scarpino, 2010; Ielenicz *et al.*, 2013). For instance, Sölter (2000, p. 51) mentions that “tourism is an independent system in our daily life and have interdisciplinary links”. Ielenicz and Simoni (2013, p. 31) express a similar opinion stating that “tourism should be regarded as a field with complex dynamic, geographic, temporal and unitary structure and functionality, and not reduced to a simple economic sector (“tourism industry”) producing revenue”. Simultaneously,

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“needless to state, already, the complexity and diversity of tourism industry are well acknowledged globally and as a production system, it involves manufacturing, services and many other intangible non-market inputs” (Babu, 2008, p. 44). Gunn (1994, p. 68) points out “development of tourism can fulfill goals and objectives more successfully if it is designed and managed in the context of the overall tourism system”.

All these facts prove the necessity of comprehensive consideration of tourism within the tourism system being a powerful, self-contained, ramified, inter-sectoral economic system of the national economy. It is worth mentioning that “the ability of ever-increasing numbers of people to enjoy travel-related experiences has depended, by necessity, upon the myriad of organizations and businesses that comprise the ‘tourism industry’. In other words, tourism has also developed into a powerful, world-wide economic force” (Sharpley *et al.*, 2002, p. 11).

It is important to notice that in 2016 international tourist arrivals continued their upward trajectory in their seventh straight year of above-average growth despite many challenges, reaching 1.2 billion. A comparable sequence of uninterrupted solid growth has not been recorded since the 1960s (UNWTO, Annual Report 2016, p. 5). Thus, tourism is a major category of international trade in services. In addition to receipts earned in destinations, international tourism also generated US\$ 216 billion in exports through international passenger transport services rendered to non-residents in 2016, bringing the total value of tourism exports up to US\$ 1.4 trillion, or US\$ 4 billion a day on average (UNWTO, Tourism Highlights 2017, p. 2).

Taking onto consideration the above-mentioned conclusions, the author may summarize that a tourism system “is an industry that aims at development and progress both in quantity and quality” (Saarinen, 2005, p. 168). Heterogeneity and dynamicity (Baggio, 2008; Jakulin, 2016) as well as vertical and horizontal relations are inherent to the tourism system. As any open system, it evolves under influence of factors of external and internal environments (Sharpley, *et al.*, 2002).

Nevertheless, “the twenty-first century has welcomed the tourism industry with a mixed bag; containing shocks, uncertainties and a promising future” (Babu, *et al.*, 2008, p. 1). Therefore, the academic community pays attention to research of changes in modern tourism systems (Saarinen, 2004; Butler, 2015; Matei *et al.*, 2014). Since such changes are of different origins, particularly they “need to be examined in the context of the overall global change in areas such as technology, affluence and political stability” (Butler, 2008, p. 55) and “as a by-product of multi-level institutional changes, technological progression, changing lifestyles, and perceptions and competition” (Babu, 2008, p. 178), it is necessary to summarize and group real reasons of these changes and,

correspondingly, to develop their strategic vectors directed towards development of tourism based on conditions of a certain region or country.

The tourism system is a heterogenic and dynamic system. Vertical and horizontal relations are inherent to this system. Like any open system, it evolves under the influence of factors of external and internal environment.

Therefore, the research of functioning and development of the tourism system at different levels (world, national, regional) should include the following actions:

- Firstly, it should take into account transformational trends of social development;
- Secondly, it should present instruments for determination and assessment of efficiency indicators, synergy of components, multiplication and cumulative effects of the national tourism system;
- Thirdly, it should become the basis of a concept and strategic reference points of the tourism system, which will contain certain managerial methods, instruments, indicators, parameters, and will form a framework and a mechanism of its activity.

These aspects actualize the necessity of solving a scientific problem regarding using concepts of national tourism system (NTS) transformations, which will most productively represent this process in the context of assuming flexibility and the equilibration for the increase of its social and economic significance as a sub-system of the national economy. In Ukraine, it is necessary to indicate parameters, patterns, and trends of the NTS, taking into account the influence of exogenous and endogenous environments for development of a progressive strategic vector of development.

An article purpose is determination of transformational factors affecting the NTS of Ukraine and development of strategic vectors of its enhancement.

Methodological approach. Research of the NTS as an economic system is a pre-condition for formation of strategic vectors of development. The main scientific paradigms of studying economic systems are the following:

- A neoclassical paradigm, which considers an economic system as a set of interrelated agents providing processes of production, distribution, and consumption; the main characteristics of the system change over time insignificantly; respectively, the system clearly reveals during a short-term period;
- An institutional paradigm, which states that streamlined and coherent common activity of agents is provided due to institutions (rules, traditions, norms, and restrictions), including a government as the main institution of a society;

- An evolutionary paradigm (Boiko, 2009) based on dynamic perception of the structure of a social and economic environment; unlike a state of equilibrium, this approach pays the main attention to research of a state of imbalance;
- A postindustrial paradigm (Babu, 2008; Butler, 2008, 2015; Tribe *et al.*, 2015) that encompasses rapid development of the scientific progress, radical changes of the structure of social welfare and employment, promotion of a system of the values, at the center of which is a human with desires for self-improvement and self-development;
- A paradigm of sustainable development (Burkynckyi *et al.*, 2011; Panasiuk, 2013), which is referred to as a coordinated global strategy of the survival of humanity oriented towards preservation and reproduction of natural populations on the scale being necessary for a return to scopes of the biosphere capacity.

The examined scientific paradigms affirm an assertion that the NTS is a component of the national and world economy. This assertion highlights dualism of the NTS, which is presented by the following peculiarities:

- Firstly, this system is considered as an object and a subject of the influence of political, economic, technological, cultural, ideological, mental, psychological, historical, geographical, and other factors;
- Secondly, the NTS is a sub-system of the national social and economic environment, which comprises other sub-systems, functioning and interaction of which conduce to asymmetry of its development.

Correspondingly, there is a need to research impact factors, to develop effective mechanisms of NTS functioning in accordance with them, and to counteract negative factors.

1. Theoretical aspects of transformational shifts in the national tourism systems

The author emphasizes that a national tourism system is a complicated, holistic, and integrated unit within a general national economic system, which consists of a set of subjects of tourism and complementary types of economic activity, markets, regulatory institutions, functioning of which is aimed at organizing an environment as well as production, exchanges, distribution, and consumption of a national tourism product and satisfaction of related needs.

The NTS is not stable, because it constantly develops. Changes or countering both positive and negative factors are inherent to the development. Activation of globalization and integration

influences, formation of single economic space, “a knowledge society”, development of information and communication technologies, orientation of interests and values of a society towards intangible assets, etc. are sources of these processes.

Transformation of economic systems has been subject to research of numerous scientists during a long period. In general, it is considered as a process of the change of system characteristics based on mechanisms of self-organizations and the external influence.

“Transformation” or a single-function process “structural shifts” is a process of adaptation (quantitative and qualitative adaptation) of economic system elements at macro-, mezzo-, and micro-levels and their interrelations in accordance with regularities of functioning and development of the market economy, which leads to formation of the qualitatively new structure” (Chernuk, 2011, p. 253). A concept “transformation” is frequently used in the process of studying globalization processes.

The transformational economy is a modern stage of development of the world economic system. It is characterized by the following main peculiarities: “globalization and urbanization; acceleration of rates of the scientific and technical progress; informatization processes; transformation of ecology into an economic resource; revaluation of old traditional resources and production technologies; change of state functions” (Savushkin, 2014, p. 51).

There are opinions (Ierokhin, 2002; Balabanov *et al.*, 2003; Kotyk, 2013) regarding indication of four types of transformation of economic systems within the academic community. They are strictly detected in the tourism system: structural, functional, organizational, managerial (see Table 1).

Table 1. Types of the NTS transformation

Structural:		Functional	Organizational	Managerial
in the sectoral context	in the territorial context			
Change of system elements, its structure, and activity amounts	Change of the formed territorial structure, indication of growth poles, formation of clusters and territorial network structures	Re-profiling, diversification, formation of vertical market structures	Change of forms of organizing the economy: specialization, integration, concentration, transition to “flexible production”, et al.	Widespread implementation of strategic business-planning, corporate management, logistic schemes and processes, and marketing systems

Source: own representation

Studying development of tourism destinations, a set of which forms the NTS, scientists (McLennan *et al.*, 2012, p. 5) prove that the transformational theory regarding tourism systems (destinations) is concerned with:

- The social dimensions of tourism destination evolution, where human institutions are prevalent and easily identifiable;
- Other tourism constructs of transformation have included individual product transformations;
- Multiple tourism products, such as a destination or region;
- Multiple tourism products, such as a destination or a country.

Taking into account comprehensiveness, problematic nature, and ambiguousness of assessments of such phenomenon as “transformation”, the author think that the NTS transformation contemplates taking on new features, forms, structures, and nature under the influence of heterogenic factors of exogenous and endogenous environments.

2. Manifestation of transformation factors in the NTC of Ukraine

Transformational driving forces principally change scales, components, and proportions between external and internal factors of development of the NTS. Such tendencies clearly reveals in the form of new components, organization structures and types of tourism, usage of resources, and activation of opposite processes (consolidation and transformation towards the decrease of large tour operators, approaches to government regulation and market self-regulation). Correspondingly, the mentioned processes objectively encourage modernization of the national tourism system and application of innovative managerial methods.

Transformational processes influence the structure of the very NTC. This process leads to involvement of an even more considerable amount of activity types in its functioning.

Tourism and national tourism system “is, among other things, a system of distinct activities and studies (knowledge), whose complexity is strongly influenced by both the variety of its components, and the level of influence of those, against the human concern imposed by social, economic and political conditions of the moment” (Ielenicz *et al.*, 2013, p. 25). Because the author suggests to divide the factors of the NTS transformation, according to various criteria, into the following groups: a) sources: internal, external; b) consequences of manifestation: general, specific, individual; c) an influence degree: main, secondary; d) the extent of inter-stipulation: independent, derivative; e) the

sense: economic, political, technological, social and cultural, ecological; f) scale: local, general; g) regularity of revealing: regular and random.

In addition to the mentioned grouping, the transformational factors in the NTS may have different capacity of manifestation and the influence, consequences, durability, etc. They are also characterized by a different reaction of counteraction and opportunities of implementation of some consequences. The author may figuratively imagine the influence of global transformational processes on the NTS as the change of their power, intensity, velocity, localization and transformation under the influence of current political, economic, mental, social, and cultural factors. Moreover, power of ones can decrease and power of the others, on the contrary, increase and intensify.

Grouping transformational factors of the NTS based on their intrinsic characteristics is most widely applied (see Table 2). Nevertheless, distinction of certain consequences of the mentioned groups of transformational factors is conditional to some extent.

Table 2. Manifestation of transformational factors in the NTS of Ukraine

Group of factors	Form of manifestation
Political	Decrease of a safety rate or absence of safety because of military actions
	Decrease of tourist flows
	A departure from “strict” state regulation in favor of more soft regulation
	Liberalization, decentralization, and democratization of state regulation
	Activation of the role of international tourism organizations
	Activation of a sustainable development policy
Economic	Changes of forms of business entities through processes of concentration and deconcentration
	Involvement of new components in tourism infrastructure (so-called “sharing economy”)
	Involvement of foreign investments
	Spread of transnational companies
	Formation of strategic alliances (aviation companies, hotels, and tourism operators)
Social and cultural	Extension of tourism activity scales
	Spatial location of enterprises
	Changes of values in approaches to organizing tourism from the standpoint of a consumer as well as an organizer
	Formation of a “global tourist”
	Formation of “fashion” for tourism
	Comprehensive consolidation and dialogue of all stakeholders
Ecological	The focus on ecological problems in tourism
	Activation of ecological tourism
Technological	Dynamic usage of global booking systems
	Technology standardization
	Dynamic development of innovations
	Spread of communications
	Appearance of new types of tourism (E-tourism)
	Activation of “informal component” of tourism (including tourism organized in the form of freelance).

Source: own representation

Nowadays, solving applied problems related to integration of the Ukrainian economy into the European Union, formation of its positive image, enhancement of opportunities for attraction of foreign and domestic tourists, optimal usage of the potential, effective government regulation and market self-regulation in this sphere, formation of new competitive advantages of the national tourism product, and involvement of investments is of considerable importance. Thus, they should be solved from the standpoint of complex scientific managerial vision, which will enable to indicate critical points, growth factors, reserves, and opportunities for methodology of the NTS management.

The NTS of Ukraine functions and develops under the permanent influence of various transformational driving forces, capacity, and consequences. These forces principally change scales, components, correlations between external and internal factors of the NTS development. These influences are especially notable in following process:

- The change of a state regulation model (a shift to European one) in the context of shifting the focus of influence on the NTS towards the economic sphere;
- Strengthening processes of decentralization, deregulation, integration, and consolidation, which, in turn, stipulate changes in its structure;
- Changes in the structure of tourism flows and the structure of demand and supply of a tourist product;
- Technological changes;
- Prevailing negative political as well as social and economic influences on its development.
- Since 2014, the NTS is influenced by negative factors:
- Russian military aggression which endangers tourism system and potential tourists;
- Economic challenges which: 1) affect the devaluation of the Ukrainian currency; 2) contribute to the risk of tourism business; 3) do not contribute to the implementation of a clear business planning; 4) create psychological barriers in the organization of tourist travel;
- Social problems among which are an increasing migration, rising unemployment, reduced incomes, reducing demand for tourist services, leveling the human desire to travel;
- Organizational problems relating to the lack of adequate and pragmatic public policies in tourism at national and local levels;
- Problems of cultural and educational nature concerning the low level of service and more.

The impact of the mentioned factors led to the change of structure of entrance and internal tourism flows. In Ukraine, there has been a high rate of dependence of a tourism flow from the social and economic as well as political state of a small number of countries and their relations with Ukraine

until now. On average, citizens of ten countries has accounted for 85.0% of a foreign tourist flow (Russian citizens have accounted for 38.5% of them) until 2014. Over the last period, a situation has changed under the influence of the mentioned political factors. According to the data of the State Border Guard Service of Ukraine, the largest number of tourists have arrived in Ukraine from Moldova and Belorussia. The top 10 for amount of tourism flow includes also Russia (nevertheless, the flow has dramatically decreased by 58.0% compared with 2014) and Poland, Hungary, Romania, Slovakia, Uzbekistan, Turkey and Germany (that is to say, neighboring countries). On the other hand, a number of arrivals from countries traditionally belonged to a leading group of visitors of Ukraine has been reduced.

Thus, dependence of the tourism flow from an inconsiderable group of countries remains, but the structure has shifted towards involvement of citizens of neighboring countries. As for capacity of an entrance tourism flow in Ukraine, it has decreased by 48.0% under the influence of the mentioned factors.

The influence of the mentioned negative political processes may be illustrated with the example of the main indicative figures of the NTS development (see Table 3).

Table 3. Dynamics of the main indicative figures of functioning of the NTS of Ukraine in 2011 – 2016

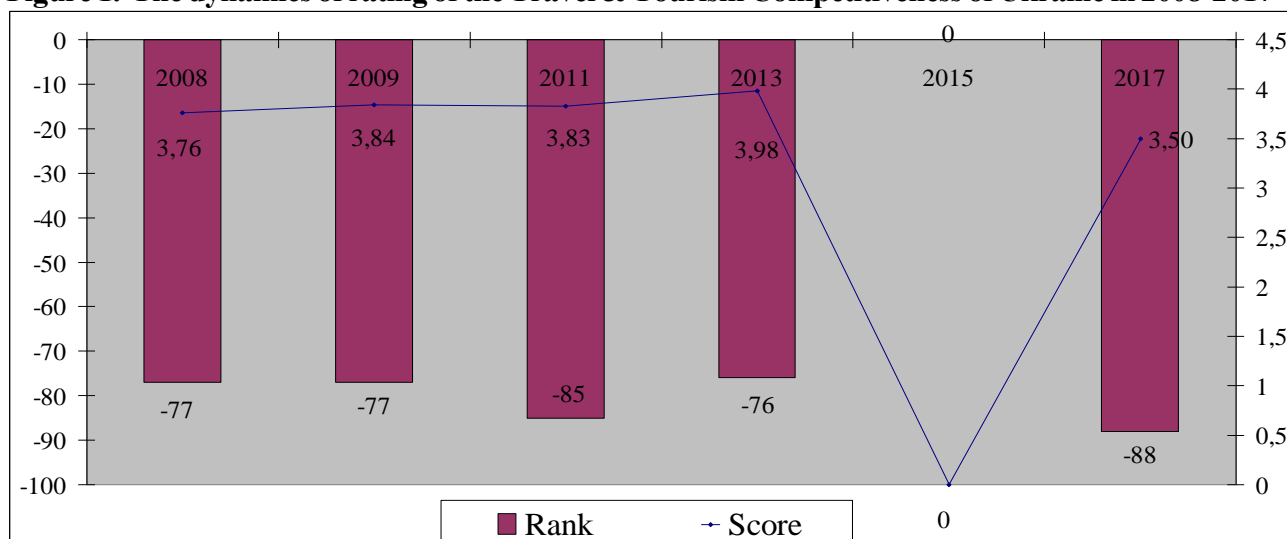
Category	2011	2012	2013	2014	2015	2016
Number of economic entities of the tourism sphere, units	4793	5346	5711	3885	3182	3506
Revenues from providing tourism services, million hryvnias	4937,7	6654,9	6496,8	5566,7	5015,3	11935,7
Number of tourists serviced by economic entities of the tourism sphere^{13**}, thousand persons	2199,9	3000,7	3454,3	2425,1	2019,6	2549,6
Number of foreign citizens, who have visited Ukraine, thousand persons	21415	23013	24671	12712	12428	13333,1

Source: State Statistics Service of Ukraine, Tourist activity in Ukraine (2017)

Taking into account the above-mentioned data, the author may conclude that amounts of the main indicative figures, which describe functioning of the Ukrainian NTS, have considerably reduced under the influence of the identified political factors since 2014.

This process led to deterioration of the global competitiveness ranking, according to which Ukraine has ranked 76 – 88 among more than 136 world countries during 2008-2017 (see Figure 1).

¹³ without excursionists

Figure 1. The dynamics of rating of the Travel & Tourism Competitiveness of Ukraine in 2008-2017¹⁴

Source: World Economic Forum, The Travel & Tourism Competitiveness Report (2017)

Correspondingly, there is a need to determine instruments, which are able to activate components of the NTS and their interrelations for achievement of synergetic, multiplication, and cumulative effects. All these actions are aimed at enhancement of competitive positions and the increase of activity efficiency.

2. Substantiation of vectors of the NTS development in Ukraine

Under conditions of modern transformational shifts, the main directions for modernization of strategic vectors of the NTS development are as follows: a) formation of a management model based on European standards; b) positioning the country as an authentic tourist destination with modern infrastructure; c) guaranteeing safety for internal and foreign tourists and investors; d) sustainable development; e) openness and accessibility.

In March 2017, The Cabinet of Ministers of Ukraine adopted the Strategy for the Development of Tourism and Resorts until 2026 (2017). A purpose of its implementation is formation of facilitative conditions for activation of development of the tourism and resort sphere in accordance with international quality standards and European values, transformation of it into a high-profitable competitive sphere integrated into the world market. These processes provide acceleration of social

¹⁴ In 2015, Ukraine was not subject to such research on account of political reasons

and economic development of regions and the government in general and conduce to increase of life quality of the population and harmonic development, consolidation of the society, and popularization of Ukraine in the world. The mentioned Strategy includes a road map, which encompasses five vectors: 1) Safety of tourists; 2) The normative and legislative basis of development of tourism and resorts; 3) Development of tourism infrastructure; 4) Human resource development; 5) Marketing policy of tourism promotion of Ukraine.

Having analyzed the above-mentioned document, the author suggests supplementing a vector list with an important component such as “Ecological and Cultural Policy” as well as complementing and broadening the scope of the determined vectors, because the mentioned document (The Strategy...) does not contain aspects being necessary for Ukraine.

1. A vector “Tourist Safety” needs broader consideration. The government should guarantee safety and protection of legitimate rights and interests for tourists as well as other interested persons, particularly investors in the context of protection of their economic rights. Therefore, the author proposes to call it “Safety of tourists and investors”.

Taking into account the annexation of Crimea by the Russian Federation and conducting the anti-terrorist operation in the part of the territory of Donetsk and Luhansk regions, matters of tourist safety and other stakeholders of the NTS assume extreme importance. Although the mentioned territories are not great in size and free access from these territories is restricted, they generate a considerable number of problems. Nowadays, development of measures for overcoming military conflicts and terrorist acts is of considerable importance for Ukraine as well as the whole world. Implementation of a centralized system for accounting of accidents related with safety of tourists and other stakeholders may partially solve this problem. Such system will conduce to formation of a mechanism of counteractions against negative phenomena. In addition, adoption of legislative acts concerned with tourism activity safety and exercising a respective information policy are of great importance.

In accordance with this direction, bodies of state authority and other interested persons must establish effective mechanisms for real and financial guarantee liability of tourism activities to tourists for failure or poor quality of travel services; In particular, the introduction of a differentiated approach to the definition of insurance guarantees depending on the volume of services provided by each specific tour operator for a certain period is, in our opinion, an effective tool. This measure will contribute to the ensured justice for all tourism enterprises (small and micro enterprises in depressed

regions and powerful tour operators); this situation will also promote the creation of equal conditions of competition in the domestic tourism market.

2. The scope of the vector “Normative and Legislative Framework of the NTS Development” consists in the increase of influence of factors, which encourage the change of state regulation structure in the context of the individual approach influence and reconsideration of the state regulation role. Contemporary tendencies need transition from “bureaucratic” management to more effective methods. Taking into account comprehensiveness and diversity of components and importance of the NTS, the author proposes to form inter-agency bodies or delegation of powers to external agencies, which orient towards inter-agency management and coordination of processes of tourism policy development.

Over the last years, a model of the NTS management has quite changed frequently and cardinally. Obviously, there is no final version. In this context, search for the model of the NTS management is an important and applied goal. Since the choice of the model determines the role and methods of the government in the NTS regulation, it should be based on the powerful scientific framework. Positive trends are transition to a more “European” model of management of the NTS, which consists in formation of a tourism policy by a powerful economic ministry on behalf of the government. Nevertheless, taking into account importance and heterogeneity of the NTS components, the author thinks that there is a need to create an inter-agency body of several ministers, which would be eligible for formation of the government tourism policy.

The NTS management under condition of integration into the European and world spaces should be based on respective philosophy and principles. In this context, it is appropriate to apply the communication paradigm to a process of the NTS management. In the European community, the paradigm statements form basic principles of functioning and development, which are affirmed by scientific papers of leading scientists as well as practical implementation of ideas in work of the EU executive bodies.

The communication paradigm does not deny existence of a subject and object type of relations. Nevertheless, there is qualitative transformation of a management unit into an influence unit for the purpose of interaction between co-subjects (Khashyieva, 2012, p.97).

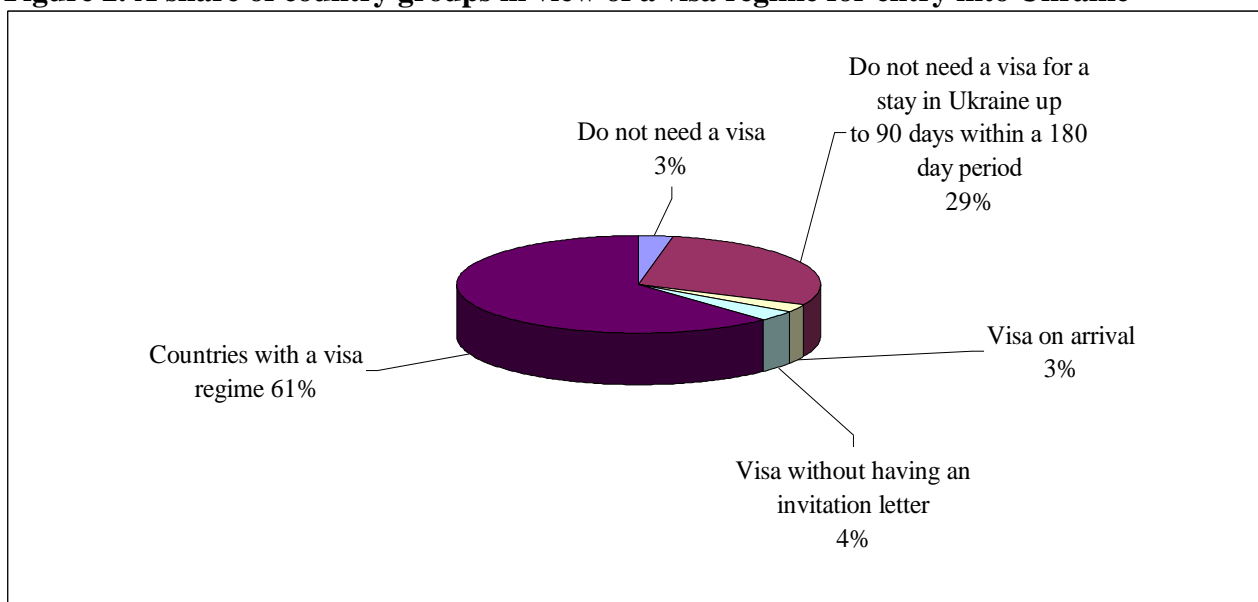
Ukraine needs to strengthen the role of civil society (NGOs direction of travel / tourism organizations public) in terms of tourism. For example, there are self-regulatory organizations (SRO) and the organization of professionals. Self-regulation means a voluntary submission of its members the rules of the organization to obtain a competitive advantage; affiliation of credible self-regulatory

organization that promotes sales of the product or service; consumers may also lose confidence in its former member, if you exclude its members from reputable SRO (Opanasiuk *et al.*, 2017, p. 90).

In that regard, it is important to include statements on liberalization of a visa regime for tourism-related arrivals in Ukraine for citizens of a set of countries. Especially, this relates to simplification of obtaining or abolition of visas for citizens of China, India, Persian Gulf countries, etc. A tourism market of these countries is quite perspective for Ukraine. For instance, China ranks first in expenses of tourists for travels, which accounted for 13.0% of world expanses in the tourism sphere in 2014.

Within the scope of determination of a level of openness and accessibility of the NTS, the author uses the researches of UNWTO Visa Openness Report 2015, according to which Ukraine belongs to a group of countries with a medium index of openness – 22-24 (an index for maximum openness equals 53-100). This group contains Australia, a significant number of Latin American countries, and all European countries without Belorussia and Russia. As at March 2016, citizens of only six countries do not need a visa for entry into Ukraine (3.0% of a general number of countries) and citizens of 56 countries do not need a visa for a stay in Ukraine up to 90 days within a 180 day period (29.0%). Citizens of 68.0% of countries enter Ukraine on the basis of visas. A share of country groups in view of a visa regime for entry into Ukraine is shown in Figure 2.

Figure 2. A share of country groups in view of a visa regime for entry into Ukraine



Source: World Tourism Organization, Visa Openness Report (2015)

Certainly, simplification or abolition of visas for entry into Ukraine of citizens of certain countries bear many risks, because visas are introduced for protection of citizen interests. Especially,

these risks are related to possibility of terrorist acts, national safety violations, and conflict escalations. Nevertheless, a flexible policy towards this direction will conduce to involvement of a more intensive flow of tourists. Such policy together with diversification of tourism supply will facilitate growth of efficiency of the NTS and establishment of better relations between countries. Moreover, implementation of electronic visas (e-Visas) for entry into Ukraine being innovative technology is prospective within liberalization of the visa regime.

3. Considerable tasks are concerned with a vector “Development of Infrastructure of the NTS Component”. In that regard, Ukraine needs solving numerous problems related to the worn and low-effective infrastructure basis. Some positive shifts are concerned with development of hotel, restaurant, and aviation businesses. Signing the agreement with the EU may be an important step.

Formation of innovative destination in the form of network-centric tourism and recreation systems (network-centric models of destinations) is one of results of practical implementation of the communication paradigm directly in tourism business at the regional level. Management of resources of these destinations is based on territorially distributed networks of information and communication hubs.

Competition for means of tourist accommodation has dynamically increased during the last period. Experts indicate a so-called “main stream in tourism” – “sharing economy”, “P2P” (peer to peer model of business). Sharing economy in tourism is referred to as a model implemented owing to network technology, which consists in temporary providing consumers with certain resources free of charge or on the basis of exchange of similar resources (housing, vehicles, equipment, and competences). The European Parliament has considered a matter concerned with regulation and the reaction to reasons and consequences of this phenomenon, because this phenomenon has positive and negative consequences. The positive consequences of sharing economy may encompass the increase of access and capacities of humans, especially with low incomes, in a tourism process. The negative consequences may include absence of legal and safety protection of suppliers as well as consumers, the loss of tax revenues owing to providing tourism services by unregistered economic entities, possible low quality of providing and receiving services, etc.

In this regard, dynamism of manifestation of an “informal component”, in contrast to a so-called “formal component” (governmental and non-governmental), is a quite relevant tendency for Ukraine, which is not sufficiently considered in scientific literature. The informal component encompasses providing tourism services organized in the freelance form, self-organized tourism, activity of cultural establishments, and tourism of public organizations initiating tourism flows. It

increases under the influence of social transformations and information communication technologies. Assessment of existence, the state, and dynamics of development of the mentioned informal component of the NTS is one of the most complicated objects of identification.

The spread and role of transnational corporations (TNC) are especially notable in the NTS. Economic advantages of TNC functioning in the NTS are as follows: a) conducing to development of a system of investing the mentioned and related systems; b) the increase of efficiency of capital usage and advantages of the economy of scale; c) a multiplication effect of the influence on other economic systems; d) an opportunity of formation of the mentioned capital and solving global problems; e) opportunities of diversification and specialization of production.

In the context of transnationalization, it is worth mentioning that tourism business is considered as one of sectors of profitable investing capital abroad, which is related with long-term tendency of the increase of international tourism flows, the geographical extension, and gradual entering the world tourism market of less developed countries.

4. A vector “Human Resources Development” should be concerned with improvement of professional skills of employers involved in the tourism system as well as the population in general (enhancement of hospitality, knowledge of foreign languages that will conduce to a comfort stay of internal and foreign tourists).

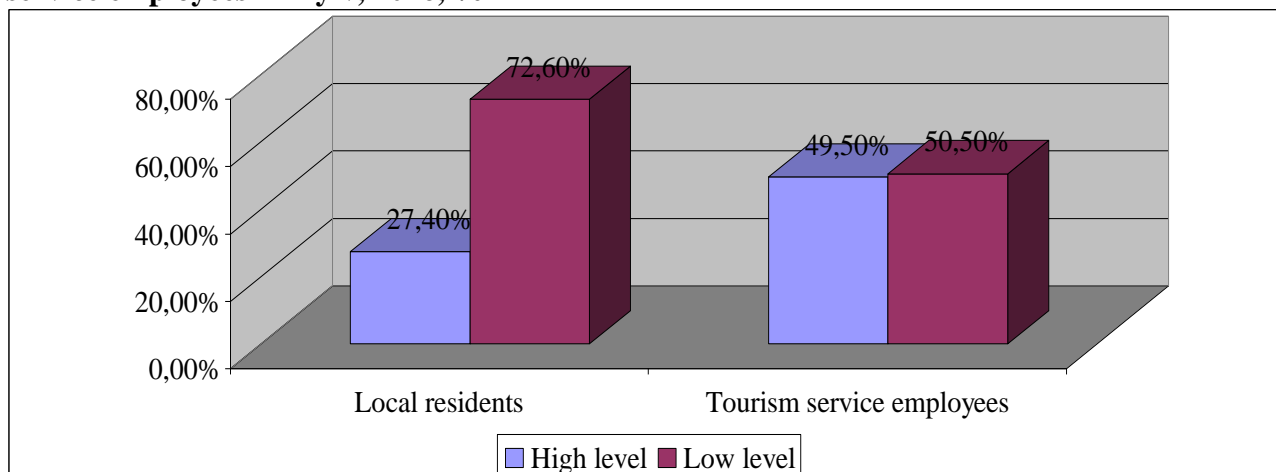
Numerous scientists in the tourism area take notice of the significant role of human resources in effective functioning of tourism systems (Raj, 2008; Milic, *et al.*, 2011; Kurdashvili, *et al.*, 2016). For instance, D. Perovic D., *et al.* using an Ordinary Least Square regression (OLS) investigated whether intangible elements influence tourist’s perception about service quality. They have concluded that an element such as «Communication with local people» has influence on perception of service quality among three other types of intangible assets (a) kidness of people presents tourist’s perception about kindness of people; b) security; c) kidness with childeren). This may be explained by the fact that tourist interaction with each other and with local people, as well, is seen as an important element of holiday and travel experience by modern tourist. (Perovic, *et al.*, 2013, p. 66).

Human resources are one of 14 components, which are used by experts of World Economic Forum to evaluate competitiveness of the tourism system. This fact confirms importance of human resources for the tourism system.

A problem concerned with a low level of Ukrainian citizens’ knowledge of English is of considerable importance. For example, according to the data of “Sociological research of tourist flows to the Kyiv city” (2016), foreign tourists point out that only 27.4% of the citizens and 49.5% of

tourism service employees have a high level of English (Figure 3.). It is worth mentioning that these figures are concerned with the capital of Ukraine. The situation in regions is worse. Therefore, there is a need to implement measures regarding improvement in this situation, particularly within public and private partnership on a volunteer basis.

Figure 3. Foreign tourists' evaluation of knowledge of English of the local residents and tourism service employees in Kyiv, 2016, %



Source: Sociological research of tourist flows to Kyiv (2016)

5. A marketing policy of the NTS promotion is primarily related with formation of the positive image and popularization of Ukraine as a country being attractive and safe for tourism.

Having taken into account experience of the most visited countries of the EU, the Ukrainian government made a decision regarding creation of the national tourism organization. Its purpose of functioning will comprise the following elements: a) formation and promotion of a competitive national tourism product in target tourism markets; b) development and implementation of a marketing policy of promotion of the national tourism product; c) organizing, holding, and participation at tourism exhibitions and vanities.

Various European world events, which significantly affect tourism development, are quite important for tourism development. Hosting the final football tournament was an important event over the last years in Ukraine. The research Zetiu *et al.* (2015, p. 387) shows “how a tourist destination may become a brand by means of events – a case study on Iasi as a candidate for European cultural capital”. Significant hopes of tourism perspectives are placed on hosting the final of Eurovision in Kyiv in 2017 and the final of UEFA Champions League in 2018.

6. Ecological and cultural policies should be concerned with the following processes: a) implementation of a concept of ecologization of tourism sustainable development; b) strengthening

measures regarding protection of natural as well as historical and cultural heritage; c) preservation of traditions and national identity.

Ukraine also should make maximum use of their own, unique to our state resources, methods, psychological aspects (for example, the events of the Revolution of dignity led to increased attention to Ukraine as a tourist destination; interested persons (stakeholders) should help attract tourist flow by promoting patriotic tourism in our country).

Table 4 below contains the mentioned proposals regarding strategical vectors of transformational shifts in the NTS of Ukraine.

Table 4. Strategical vectors of transformational shifts in the NTS of Ukraine

Vectors	Directions		
Safety of tourists and investors	Providing safety of tourists and protection of their legitimate rights and interests	Providing protection of rights and economic interests of investors investing in the national tourism system	
The normative and legislative basis of development of the NTS	Implementation of the EU legislation in the tourism sphere	Liberalization and effective regulation of conducting an entrepreneurial activity in the tourism sphere	Liberalization of the visa regime for entry into Ukraine
Development of the NTS infrastructure component	Providing complex development of territories	Providing accessibility of tourism infrastructure objects for disable persons and other physically challenged persons	Increase of quality of tourism infrastructure
Human resource development	Improvement of a system for professional training professionals in the tourism sphere	Providing scientific maintenance and the research in the tourism sphere and resorts, implementation of progressive innovative developments	Extension of population hospitality and enhancement of people's knowledge of foreign languages.
A marketing policy of the NTS promotion	Formation and promotion of the positive image of Ukraine	Formation and implementation of competitive national, regional, and local tourism products	Activation of country- and world-level events in Ukraine
Ecological and cultural policy	Implementation of a concept of ecologization of tourism sustainable development	Strengthening measures regarding protection of natural as well as historical and cultural heritage	Protection of traditions and national identity

Source: own representation

Strategical programs of the NTS development should be supported by appropriate financing through involvement of private investments. And also “the state must create the optimum conditions for doing business both in order to attract foreign investments and to create favourable conditions for local entrepreneurs” (Okhrimenko *et al.*, 2015, p. 52).

The author considers capital investments in the NTS of Ukraine according to the following types of economic activity: a) temporary allocation and organizing meals; b) art, sport,

entertainments, and rest; c) activity of tourism agencies, tourism operators, providing other services of booking and the related activity. As can be seen from Table 5, during 2011-2012 the investment amount has increased by 49.8% and 61.6% respectively. The investment amount has been quite considerably declined by 16.0%, 50.5%, and 5.0% since 2013.

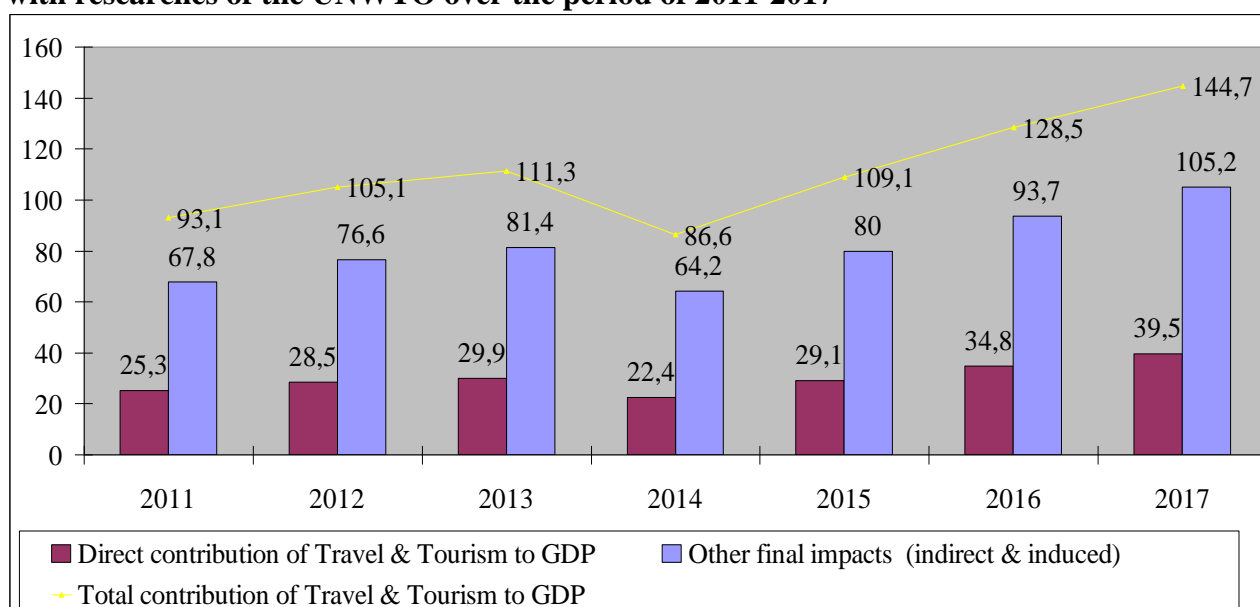
Table 5. Dynamics and amounts of capital investments attracted in the NTS of Ukraine in 2011 – 2016

Category	2011	2012	2013	2014	2015	2016
Capital investment amount, million hryvnias	3010,0	4862,9	4083,0	2022,4	1920,7	2182,4
Rate of the capital investment increase, %	49,8	61,6	-16,0	-50,5	-5,0	+13,6

Source: State Statistics Service of Ukraine, Capital investment in Ukraine (2017)

Nevertheless, regardless of negative tendencies regarding financing tourism, revenues of the State Budget of Ukraine from the NTS indicate quite positive trends (see Figure 4).

Figure 4. Economic contribution of the NTS to the GDP of Ukraine is determined in accordance with researches of the UNWTO over the period of 2011-2017¹⁵¹⁶



Source: World travel & tourism council, Travel & Tourism economic impact Ukraine (2017)

The research of the UNWTO “Travel & Tourism Economic Impact Ukraine 2017”, which is based on the method of Tourism Satellite Account: Recommended Methodological Framework,

¹⁵ UAHbn, nominal prices

¹⁶ The data for 2017 are estimates

determines the economic contribution of a sector “Travels and Tourism”, taking into consideration the direct, indirect, and induced contribution of tourism to the GDP of Ukraine. The direct contribution of the NTS to the GDP of Ukraine is caused by the activity directly related to providing tourism servicing, particularly by tourism companies, hotels, aviation companies, other enterprises, which provide passenger transport services, restaurants, entertainments establishments that work directly with tourists. The contribution shows a positive trend regardless of negative consequences. In general, the increase has accounts for 56.1% over a seven-year period.

The tourism activity leads to direct and secondary results. The secondary results are concerned with revenues from tourism in related industries. A reason of appearance of induced results is the increase of demand for goods and services owing to growth of tourism activity amounts. Over the last seven years, the indirect induced and direct results of the NTS functioning have fluctuated within 72.7-74.1% and 25.9-27.3% respectively. Having determined the correlation between direct and other final consequences of the NTS in the GDP structure, the author may conclude that each monetary unit earned in tourism conduces to earning 2.7 – 2.9 monetary units in other industries in Ukraine. That is to say, the NTS is able to activate positive shifts in other systems of the national economy owing to the multiplication effect.

Globalization is one of the most influent transformational processes. On the one hand, the NTS is an object of influence. On the other hand, it is a global social and economic phenomenon, which significantly affects the international order. In the context of globalization phenomena, there is a problem of their ambiguous consequences and the necessity of formation of a “protective” behavior model because of the possible imbalance of social and cultural as well as ecological spheres. The loss of national identity in tourism products, which may lead to complicated national problems, is especially dangerous manifestation of globalization. Therefore, a flexible and effective policy towards this direction should correct negative consequences.

Conclusions

The national tourism system (NTS) is a component of an economic system, which is based on inter-sectoral interaction between economic entities concerned with production, selling, and organizing consumption of a tourism product.

There is a need for determination of the strategic vectors of development of the national tourism system in Ukraine under contemporary transformational shifts. The optimal balance between a set of

factors will become the basis for formation of the powerful competitive national tourism system of Ukraine. These factors should include: a) taking into account experience of other countries and specificity of our country in the process of formation of the development strategy; b) possible transformational influences and reactions to them (prediction, usage of foresight methodology); c) the dynamic increase and conformity to principles of sustainable development; d) formation of development conceptions and opportunities of their implementation in practice.

Summarizing the research, it is worth highlighting that the subject area of conceptual substantiation of transformational influences on the NTS is a complicated scientific problem. Solving this problem is of considerable importance on the theoretical and practical dimensions. Thus, it requires further research.

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