

Influence of Economic Crises on the Sphere of Tourism: Myths and Reality

Gulnara Faridovna Valeeva¹
 Oleg Aleksandrovich Bunakov²
 Boris Mojshevich Eidelman³
 Liliya Raisovna Fakhrutdinova⁴

¹Kazan Federal University, Institute of Management, Economics and Finance, assistant professor at the Department of Tourism and Service, e-mail: gulnara-valeeva93@yandex.ru ORCID ID 0000-0002-6354-8968.

²Kazan Federal University, Institute of Management, Economics and Finance, PhD, Associate professor, Institute of Management, Economics and Finance, Email: oleg-bunakov@mail.ru ORCID ID 0000-0003-3018-523X.

³Kazan Federal University, Institute of Management, Economics and Finance, PhD, Associate professor, Institute of Management, Economics and Finance, Email: igor-eidelman@mail.ru ORCID ID 0000-0002-1295-2442.

⁴Kazan Federal University, Institute of Management, PhD, Economics and Finance, Associate professor, Institute of Management, Economics and Finance, Email: Flower007@list.ru ORCID ID 0000-0002-1951-3602.

ABSTRACT: *In this article the authors analyze the main economic crises which took place in the second half of XX and the beginning of the 21st centuries in a section of their influence on the sphere of tourism. Statistics of World Tourism Organization showing continuous growth of the sphere of tourism despite any economic shocks is provided. During the research was found the fact that practically all people are not ready to refuse travel and, despite considerable difficulties, all the same go to a travel (sometimes the directions and type of rest only change). As a result authors come to a conclusion that along with unconditional negative influence of any economic crisis there are also many positive factors for the sphere of tourism which allow to look at the general provision and further development of this industry positively.*

Keywords: *tourism, economic crisis in tourism, coronavirus, tourism transformation.*

INTRODUCTION

History knew the periods of growth and recession of economy at all times. In the Ancient World these periods lasted sometimes 1-2 centuries, however with acceleration of scientific and technological progress, since 19th century, processes considerably accelerated. The famous Russian economist N.D. Kondratyev described business cycles which according to him lead to large crises approximately each 40 years and to smaller recessions each 7-11 years. This theory is accurately traced in the 20th century, but does not meet modern conditions of the 21st century anymore. Certainly, each sphere of economy has the specific features and any given susceptibility to crisis influences. In this article we will consider influence of world crises from the second half of the 20th century on the sphere of tourism. The choice of this period is caused by that factor that before World War II tourism (except for several countries of the world) was not the

mass phenomenon. People had practically no holidays or opportunity to travel. The international tourism since ancient times to the middle of the XX century was available only to a narrow layer of society - rich people and diplomats and governors of the states.

World War II brought huge shocks to all spheres of human life. Enormous human losses, a deplorable economic condition of most of the countries of the world (including countries of winners) - all this direct heritage of war. However, it should be noted also the fact that rapid development of science and technology in the years of war were an incitement to a development intensification at once after its termination. War forced to modernize the transport system - new modifications of planes, steamships, cars, etc. were developed. After the end of fighting this heritage began to serve already for peaceful purposes and opened new, earlier inaccessible borders, for many tourists. The period from 1945 to 1960 practically all countries (possibly, only except for the USA which war affected to a lesser extent) spent for recovery of the national economy. Since 60th years of the 20th century the people began to travel actively, and for the first time in the history of began to use for this purpose and the air transport. Range of trips increased; time spent by the tourist on the way was reduced. At this time, many countries began to think for the first time that the sphere of tourism can bring a large income in the budget, give additional jobs, stimulate production of goods and services. Cold War of the second half of the XX century divided the countries of the world into 2 camps and in the same way divided tourist streams. Mass trips to the countries of the capitalist block for the Soviet citizens became impossible therefore the market of tourism was presented mainly by internal resorts. For the USSR, such centers of tourism became: Crimea, resorts of Krasnodar Krai, Caucasus Mineralnye Vody region. Receipt of a visa and purchase of foreign currency were serious obstacles for foreign trips.

METHOD

Many authors studied the nature of economic crises and also their influence on the sphere of tourism (Khetagurova, 2016; Valeeva, 2019; Morozova, 2010; Shpilko, 2009; Shteyngolts & Nazarkina, 2015; Poddubnaya & Kulayeva, 2016; Pervunin, 2015; Kozhayev, 2015). The majority was estimated by only negative aspects while it should be noted also the positive lines which resulted from economic shocks in tourism at all. The first crisis considered by us happened in the USA and the countries of the capitalist block in 1974-1975. It should be noted that the tourism market in fact was presented at this time by two large tourist macroregions - the USA and Europe which accepted more than 94% of all international tourists (see Table 1).

Table 1. Number of arrivals of the international tourists (million people)

Tourist Macroregion	1970	1975
Europe	113	154
USA	42	50

Source: according to World Tourism Organization (UN WTO World Tourism Barometer, 2009).

Here it is necessary to emphasize that the European region also includes the USSR completely. From data of the table it is visible that even in the peak of crisis the general growth of tourist trips is observed though according to analysts he mentioned all fields of activity except coal industry. Especially strongly the USA where 8.5 million

people lost work suffered. However, as we already noticed, the new sphere of tourism so captured people that they not only did not refuse trips, but also gradually began to master the new directions. During this period, the Pacific Rim begins to gain popularity. And if in 1970 only 5 million tourist arrivals fell to its lot, then in 1980 this figure grew to 21 million people. World crisis of 1980-1982 which was the strongest during the post-war period of the XX century and captured everything developed and most developing countries became the following test for the sphere of tourism. Falling of production in the USA in 1982 was 8.2%, and in the countries of EEC of 1.2%. Duration of crisis would seem left no chance any industry, however, let us look at dynamics of tourist arrivals (see Table 2).

Table 2. Number of arrivals of the international tourists (million people)

Tourist Macroregion	1975	1980	1985
Europe	154	190	215
USA	50	62	66
The Asian is silent. Region	9	21	30
Africa	5	7	10

Source: according to World Tourism Organization (UN WTO World Tourism Barometer, 2009).

In this table we also enter in addition the Pacific Rim and Africa which, despite world crisis 1980-1982 steels intensively to increase the number of tourists. Not strongly also rates of gain of tourist arrivals to the USA slowed down. Here it should be noted rather even not the growth of tourist arrivals, but significant increase in receipts from the international tourism (see Table 3).

Table 3. Sum of receipts from the international tourists (billion. dollars)

Tourist Macroregion	1975	1980	1985
Europe	26	62	61
USA	10	25	33
The Asian is silent. Region	2	8	13
Africa	1	3	3

Source: according to World Tourism Organization (UN WTO World Tourism Barometer, 2009).

Dynamics of Europe where in 1980 there were 62 billion dollars of receipts from tourist arrivals, and in 1985 61 billion is interesting. dollars. It is possible to draw a conclusion that, despite crisis, tourist streams even increased, however, a little cost were cut down during the travel. People felt taste of travel. In 1991 there was the largest event - the collapse of the USSR and, as a result, the long series of the strongest economic shocks for residents of the world's largest country began. However, if to tell not about economy in general but only about the sphere of tourism and hospitality, then it is possible to state many positive changes:

- 1) the "western" tourist business came to the country. It is separately possible to allocate the known world hotel chains which automatically forced to lift to other level quality of service in the country;
- 2) citizens (let at the beginning of the 1990th and absolutely at the few) had a possibility of departure abroad. There were tour operators who organized charter tours

in the mass directions. During this period the Russians learned what is rest in Turkey on an all-inclusive system;

3) departure abroad considerably became simpler. There was an opportunity to secure foreign currency, and execution of visas did not cause former difficulties anymore.

During the period from 1991 to 1998 Russia endured several serious economic shocks, was practically in one step from civil war, tested the most powerful default in August 1998. However the long-term deficiency of the international trips of Russians created the increased demand for the world tourist centers, and in spite of the fact that in 1993 only 10% of residents of the country belonged to the middle class the tourist stream abroad grew by 20%. The effect of pent-up demand when people were ready to save several years for a tourist trip was created. Internal tourism at this moment in Russia went through some tough times. In comparison with foreign resorts it was in the same price niche, and on the level and quality of service hopelessly conceded. Trips with the tourist purposes not at the sea, and just to the large cities (except for Moscow and St. Petersburg) practically did not practice. In 1998 in Russia there was a default. Dollar exchange rate grew from 6 to 23 rubles for 1 dollar. However, in 2000 4.9 million people left Russia with the tourist purposes, and in 2001 there were already 6.4 million tourists from Russia. In the next years, with improvement of the standard of living of people also the number of tourists which in 2007 made 9.4 million people grew. Separately it is necessary to stop on the example of Thailand where in 2005 there passed the destructive tsunami with the numerous human victims and following the results of 2006 to the country arrived for 102.5% of tourists of the level of 2005. In fact, the wiped-out hotels and infrastructure which had to be built anew thanks to natural disaster were modernized as soon as possible. This it is reasoned prove that now the country is ready to any cataclysms and tourists there is nothing to be afraid. Economic investments in these changes paid off literally within 2-3 years, and now the country even earns from stories "what height there was a wave" and "how many people died in this hotel", attracting fans of mysticism.

In 2008-2009 there was a new economic crisis which quickly extended over the leading countries and became world. The reasons of its emergence call the general recurrence of economic development, an imbalance of international trade and capital flow and overheating of the credit market. For the first time, after the end of World War II, in 2009 negative dynamics of world GDP was noted. The number of tourist arrivals in 2009 was reduced by 4.3% in comparison with 2008 and was 880 million persons. Falling concerned all regions, except for Africa where growth was 3%. Most of all tourists (10%) were lost by Europe. The markets of Central South America dropped approximately by 5%, generally because of decrease in demand in the USA. The main reasons for reduction of number of tourist arrivals in 2009 an economic crisis and the A(H1N1) flu epidemic. Among other negative factors there is a depreciation of currencies of some states of the Pacific Rim and political instability in Thailand, one of the most popular tourist centers of the region. For fight against consequences of an economic crisis of UNVTO created committee on recovery of tourism. The analysis of impact of crisis on the tourism industry and development of recommendations about restoration of the sector of world tourism was the purpose of work of committee. In 2010 in comparison with other industries and fields of activity, tourism showed ability to fast restoration. Entrance tourism in the world in 2010 grew by 6.7% (on 58 million people) in comparison with 2009 and the persons made 935 million. The tendency to

growth of a flow of tourists affected one and all regions, but most of all developing countries (is 8% more, than in 2009). In Europe, in seriously affected spring of 2010 from eruption of the Icelandic volcano, this rate was 471 million people 3% more, than in previous year.

Once again, the theory of fast and effective restoration of the sphere of tourism after the end of negative economic influences was confirmed. It is impossible to also avoid events of 2014 when Russia, thanks to the referendum held in the Crimea attached this peninsula to the territory (Eidelman et al., 2018). Besides a huge number of economic problems in the Crimea, Russia faced also sanctions from the European Union and the USA. Especially strongly they began to influence national economy in 2015-2016. There was the next jump of dollar and many resorts (in Southeast Asia) steel for our citizens almost inaccessible. As it is not paradoxical, but also in this case crisis positively influenced tourism development, having given an impetus to trips within the country. Interest not only in sea resorts, but also in the large cities with rich history and the developed infrastructure increased. It is possible to give the city of Kazan which systematically since 2005 (400 thousand tourists) increased a tourist stream as an example and in 2019 accepted more than 3.5 million tourists. At the end of December 2019 China notified WHO on new, earlier novel virus. In New Year's vanity the tourist industry practically did not pay attention to this statement. In the middle of March 2020 considerable restrictions for movements of people between the countries were introduced, and at the beginning of April air transportation with the tourist purposes just stopped. Airlines and the governments were occupied with evacuation of the citizens from territories of other states. It is possible to note that at the beginning of April 2020 the sphere of tourism completely stopped. Possibly about 2-3 months that air traffic between the countries was resumed will be required and people could carry out travel again.

RESULTS

To estimate economic effect of this last shock on economy of the certain countries, purchasing power of tourists and in general on the industry sees almost impossible task at present. However, it should be noted that, despite the strongest shock, the sphere of tourism it will be quickly probable to be restored. We can draw a similar conclusion because at least business tourism after the termination of a pandemic will receive a powerful boost in the form of need of resumption of activity. Possibly, against the background of close attention to health after the termination of a pandemic seriously the mood of people of rather medical and sanatorium tourism will change. Resorts, many, earlier not numerous on visitors, will be able to increase tourist streams considerably.

SUMMARY

Also, it should be noted that the latest events with a coronavirus in the world finally approved experts, tourists and the companies in need of transition to online technologies and acceleration of digitalization of the activity. Those organizations which will carry out this process in short terms and will be leaders in the areas. It will occur in many respects thanks to considerable economy on the employees who are carrying out

routine, not requiring considerable intelligent solutions, work. Now it is possible to find many notes and articles that a blow from which it will not recover a long time is struck to the tourist industry in media. Terms in 5-10 years are called. But for all sceptics the statement of the management of the city of Wuhan, (from where the coronavirus pandemic began), which declared an opportunity completely to restore economy already to the middle of 2021 can be the real answer. Certainly, considerable funds from the budget of the country will be for this purpose raised.

CONCLUSION

In conclusion of this work it is possible to draw the following conclusions:

- 1) the global economic crises which regularly occur and considerably became more frequent in the 21st century, certainly, influence economy and the sphere of tourism, but practically do not stop the industry in the development;
- 2) the global economic crises are resulted by transformation of tourist business and change of the directions of travel. Some regions become more popular and attractive, than were to shocks;
- 3) restoration of size of the general tourist stream to pre-crisis level usually happens a maximum within 2-3 years;
- 4) potential tourists are almost not ready to refuse rest and at once upon termination of crisis (and sometimes and before the termination) look for opportunities for the habitual travel. If these opportunities are not, then there is a change of the directions of rest, but not total rejection of travel;
- 5) crises give the chance to the directions of rest less popular earlier to interest potential tourists and to increase the number of visitors;
- 6) any economic shock is serious test for tourism organizations as a result of which the largest and strongest players providing the high-quality services demanded by tourists survive. There is natural "clarification" of the market, and the places which left quickly enough are taken by new participants with innovative approaches and the ideas.

In article not all positive aspects from economic shocks for the sphere of tourism are noted therefore work in this direction will be continued by authors in the subsequent publications.

ACKNOWLEDGEMENTS

The work is performed according to the Russian Government Program of Competitive Growth of Kazan Federal University.

REFERENCES

- [1] Bunakov, O. A., Aslanova, D. K., Zaitseva, N. A., Larionova, A. A., Chudnovskiy, A. D., & Eidelman, B. M. (2019). Religious and halal tourism organization peculiarities in Muslim republics. *European Journal of Science and Theology*, 15(3), 85-96.
- [2] Eidelman, B. M., Fakhrutdinova, L. R., & Bunakov, O. A. (2018). The analysis of content of territorial brands of Kazan and the Republic of Tatarstan. *The Journal of Social Sciences Research*, 448-453.

- [3] Khetagurova, V. Sh. (2016). An economic crisis as the stimulating factor of development of socially oriented tourism in the former Soviet Union. *Humanitarian, social and economic and social sciences*, 11, 207-211.
- [4] Kozhayev. Yu. Item (2015). Anti-crisis marketing in tourism. *Materials of the Ivanovo readings*, 5, 293-296.
- [5] Morozova, N.S. (2010). Trends of development of the tourist market in the conditions of crisis. *Service in Russia and abroad*, 1(16), 149-156.
- [6] Pervunin, S.N. (2015). Russian tourism: crisis anatomy. *Russian regions: prospection*, 1(2), 116-129.
- [7] Poddubnaya, E.V., & Kulayeva, E.I. (2016). Problems and the prospects of development of resort tourism in the conditions of branch crisis. In the collection: *Policy, economy and the right in the social system of society: new calls and prospects materials of the international scientific and practical conference*, 304-307.
- [8] Shpilko, S.P. (2009). The Russian tourist market in the conditions of crisis. *The Bulletin of National academy of tourism*, 1, 5-12.
- [9] Shteyngolts, B.I., & Nazarkina, V.A. (2015). Crisis in tourism: prerequisites, realities, ways of a conclusion. In the book: *We carry on traditions of the Russian statistics Materials I of the Open Russian statistical congress*, 489-490.
- [10] UN WTO World Tourism Barometer. (2009). *Committed to Tourism. Travel and Millenium Development Goals*, 7(1).
- [11] Valeeva, G.F. (2019). Management of tourist attractiveness of regions of Russia (On the example of the republic of Tatarstan). G.F. Valeeva, O.A. Bunakov, S.A. Gurbanov, H. Bautista. *Journal of Environmental Treatment Techniques*, 7, Is. Special Issue, 944-949.

1. Valeeva Gulnara Faridovna-postgraduate student at Kazan Federal University in the field of 38.06.01 Economics, direction 08.00.05 "Economics and management of the national economy. Graduated with honors from Kazan Federal University in the field of State and municipal administration (bachelor's and master's degrees). Since 2019, she has been an assistant at the Department of service and tourism At the Institute of management, Economics and Finance of KFU. Her research interests are public health management, as well as increasing the region's tourist attractiveness.

2. Bunakov Oleg Aleksandrovich was born in 1986 in Kazan city. PhD in Economics (2011). Since 2012 he works in Kazan Federal University. Head of tourist and Service department (2017). Research interests include marketing and management of the socio-cultural sphere, innovations in tourism and hospitality, organization of advertising activities in the tourism industry, development and promotion of territorial brands in Russia and abroad, etc.

3. Boris Moisevich Eidelman is an associate Professor of the Department of service and tourism at Kazan Federal University. Author of about 200 scientific papers published in Russian and foreign publications. Research interests include marketing and management of the socio-cultural sphere, innovations in tourism and hospitality, organization of advertising activities in the tourism industry, development and promotion of territorial brands in Russia and abroad, etc.

4. Liliya Raisovna Fakhrutdinova was born on November 27, 1982 in the city of Kazan. Work in Kazan Federal University of 10 years. She is an associate professor of service and tourism department in Institute of Management, Economics and Finance. Sphere of scientific interests are management and marketing of the industry of tourism, territorial branding.