Tourism After the Pandemic COVID-19: Potential Government Support Effectiveness

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Abstract. Today the tourism and hospitality industry study is relevant, since it is this economy sector that has suffered the most from the pandemic of the coronavirus infection COVID-19. The purpose of the study is to diagnose the consequences of crisis events in social and economic life in the world and in the Russian Federation on the state of the Samara region tourism sector, which ended up in the crisis zone, and to develop recommendations and measures of state support. The authors identified the following tasks: analysis of the tourism sector current situation in the Samara region, the tourism market participants perception by of state policy in this area, analysis of the development prospects of respondents-tour operators in the region. The basis of the article is a large-scale sociological study. The authors of the article revealed the key problems of the Samara region tourism industry. Respondents’ expectations and the real possibilities of the public sector to overcome the consequences of the coronavirus infection COVID-19 pandemic were studied. The measures to improve the interaction of the business environment and the public sector to accelerate the restoration of the tourism industry in the Samara region were proposed.

Keywords: COVID-19 pandemic · Efficiency · Region · Restrictions · State support · Tourism

1 Introduction

Tourism is the most attractive economy sector, contributes to the creation of new jobs for the population around the world, is an investment-attractive industry, is a source of state budget replenishment. Inbound or outbound, domestic, children’s, environmental, business tourism and others - all areas are in tremendous demand, both in the global service market and in our country. All types of tourism are scientific and cognitive in nature, contribute to the improvement of the population culture general level, which motivates states to develop this service sector, are the “driver of economic growth” [6, 7]. In this regard, there is no doubt about the relevance of the study topic. In addition, the tourist routes organization directly depends on the territory’s infrastructure development level (roads, communications, electric networks, etc.), the recreational zone presence, favorable natural and climatic conditions [1]. On the other hand, the tourism industry contributes to the development of industries related to the production
of a tourist product: transport, housing and communal services, healthcare, culture and sports, trade, and catering. However, in connection with a world-wide event (COVID-19 pandemic), which affected almost all economy sectors, the tourism industry was the most vulnerable and affected industry [11].

The purpose of the study is to diagnose the consequences of crisis events in social and economic life in the world and in the Russian Federation on the state of the Samara region tourism sector, which ended up in the crisis zone, and to develop recommendations and state support measures. The tasks of the study included:

– analysis of the tourism current situation in the Samara region,
– perceptions of state policy in this area by the participants of the tourism market,
– analysis of respondents-tour operators development prospects of the region.

2 Methodology

The study is based on a large-scale sociological survey, in which representatives of all spheres of the Samara region economy affected by a new coronavirus infection took part. The total number of respondents was 11,954 organizations. The study’s key object was the Samara region organizations in the field of travel industry, as the most affected industry in the pandemic COVID-19. Both qualitative and quantitative methods were used to analyze the tasks solution. Primary information posted on open Internet sites and catalogues of relevant ministries was collected, processed and analyzed. The article analyzed the main areas of state support both in Russia and abroad [2]. The analysis made it possible to identify key development problems in almost all sectors of the Samara region economy. The study is of a complementary nature in the recommendations development, does not call for any action, is not a consequence of legislative initiatives. Includes an independent analysis of the pandemic COVID-19 real effects. The results obtained during the sociological survey will help overcome the current situation and choose the most state support relevant measures.

3 Results

The tourism sector in the Samara region occupies a special place. In 2019, the share of employees in this sector amounted to 13.4% of the total number of employees in the region’s economy. However, the unfavorable sanitary and epidemiological situation around the world has made unforeseen adjustments to the activities of each enterprise. This study, as indicated earlier, is based on the results of a major sociological survey of Samara region organizations.

The participants structure in the sociological survey is as follows:

– 65% - non-governmental organizations,
– 20% - individual entrepreneurs,
– 15% - state institutions.
The enterprises structure examination by activity area showed that non-public sector organizations, respectively, were most affected, without a “financial airbag” and legal protection in a new emergency to maintain obligations and retain staff. Such areas include: retail trade in non-food products, catering enterprises, consumer services, education, tourism and hospitality, organizations of physical culture and sports, cultural and entertainment, transport enterprises (Fig. 1).

Fig. 1. The Samara region respondent organizations’ structure affected by the pandemic COVID-19 by industries, % (Source: authors).

The analysis showed that the pandemic of a new coronavirus infection COVID-19 negatively affected the tourism and hospitality industry of the Samara region. Let us dwell in more detail on the study of this sphere of the region’s economy. According to the results of the tourist organizations-respondents survey operating in the region, in April-May 2020 year there was a 100% decline in activity. We are talking about the organization of all tourism types: children’s, cultural and cognitive, both external and domestic tourism suffered. The study results showed:

- 76.7% of respondent organizations noted a decrease in income for April 2020 by more than 80% compared to the same period in 2019,
- 73% of income on average lost each respondent organization,
- 96% loss relative to the actual industry profitability,
- 40.8% of organizations participating in the sociological study noted difficulties in paying payment obligations (Fig. 2) in the context of income reduction.

The organizations mandatory expenses analysis showed the following results. 86.1% of the respondent organizations call utility expenses priority in April-June 2020, 73.3% of the respondent organizations noted the wage fund, 69.8% of the surveyed organizations pay rent and 60.5% of the participants in the sociological survey noted tax obligations.

The key problem, which was noted by 79.1% of respondents to the tourism sector, is associated with a drop in demand for services due to restrictions on social activity,
the introduction of a self-isolation regime. In order to preserve their business, enterprises are reducing costs (81.4% of respondents), 53.3% of organizations are searching for new work formats. If we consider the real situation of “desire - opportunity” the following expectations of the travel industry from the state should be highlighted:

- 83.6% of respondent organizations consider easing restrictions on economic activity a state support priority measure,
- 70.3% extension of state support measures to additional All-Russian classifier of types of economic activity,
- 53.2% compensation for expenses on the salary,
- 29.1% of respondents for the write-off of tax and insurance payments spoke out,
- 18.3% is compensation for rental and utility charges,
- 14.7% decrease in interest on the loan.

Currently, the following state support measures for the tourism sector in the Samara region are being implemented:

- amendments to the Federal Law “On the Tourism Activity in the Russian Federation” [3] on postponement of obligations fulfillment on the sold tours to tour operators regardless of the activity main area and providing them with equal rights and opportunities to ensure the provision of travel services with a delayed period of time (at least 1 year),
- property tax exemption,
- land tax exemption,
- compensation for the cost of technical equipment and the development of IT programs that allow the introduction of online technologies,
- subsidizing at least 50% of the advertising and information services costs and the Russian tourist product promotion on the international and domestic market; to participate in international and regional exhibitions. The most attractive type of state

![Fig. 2. Priority expenses of the Samara region respondent organizations in April–June 2020 (Source: authors).](image-url)
assistance for companies in the tourism field is tax and other financial benefits. The analysis of the demand level for state support measures showed the following results presented in Fig. 3.

![Pie chart showing distribution of respondent enterprises by decision to use state support measures]

**Fig. 3.** The respondent enterprises distribution by decision to use state support measures (Source: authors).

The respondents' opinions regarding the state support effectiveness were divided. 45.4% of organizations believe that the current support measures only postponed the problem severity. 24.4% of respondents indicated that the proposed measures are effective for only certain enterprise categories. And only 5.8% of participants in a sociological study in the field of tourism noted the high effectiveness of the proposed measures. These numbers are not random. The responding enterprises distribution by decision to use state support measures showed that 54% of organizations faced problems in obtaining support measures. The main problem is the inconsistency of OKVED, the activities of travel industry organizations. Only 3.5% of the Samara region tourism organizations took advantage of external state support measures from among respondents, 31% of organizations only plan to receive state support.

### 4 Discussion

The main deterrent to the tourism industry development, both in Russia and abroad, in connection with the pandemic COVID-19 was the imposed restrictions on the population movement. Bans on air travel, movement by rail, water and other means of transport negatively affected the tourist industry. Organizations of the tourism sector were in a deep crisis. The analysis of the best world practices in adapting the tourism industry in the context of the situation of the spread of new coronavirus infection (COVID-19), and the experience of their application can be practical in our country. The main measures of state support include:

- tax deferrals: Austria, Czech Republic, France, Germany, Greece, Italy, Japan, Italy, Canada, China and others),
postponement or cancellation of health and/or social security contributions: Greece, Italy, Poland, France, Czech Republic, Spain, Italy, China, Portugal, USA and others,
abolition or reduction of taxes, payments and fees related to tourism (air navigation, airport fees, fuel tax, residence tax, etc.),
renewal of national registers of organizations: Australia, France, United Kingdom, Vietnam, Brazil, Hong Kong, Iceland, China, Colombia, Turkey, Croatia,
exemption from prosecution of enterprises in serious difficulties; Review of non-appellable lawsuits: Australia, Brazil,
postponement of losses incurred in 2020 for the following years: China, USA.

All measures are aimed at supporting the tourism sector, improving the industry competitiveness, as well as its further development. The adopted support measures in our country cannot fully cover the losses of the travel industry. The Samara region travel industry analysis showed the following results. The efficiency of these areas decreased by 96%, and the amount of lost income amounted to more than 1 billion rubles. At the same time, 17.4% of respondents announced the reducing employees, 30.2% of organizations did not take radical measures, but sent their employees on unpaid leave. Noted that it is now especially important to support small and medium-sized businesses, as well as to use foreign experience in financing the population directly, as happened in Germany and the USA. The problems caused by the spread of coronavirus infection COVID-19, on the contrary, showed a real picture of the industry, as well as promising directions for its modernization in accordance with the set strategic tasks [4].

5 Conclusion

A comprehensive sociological study of the Samara region tourism industry made it possible to identify key problems that respondents faced. Firstly, the low rate of tourist organizations adaptation to rapidly changing external conditions [5]. Secondly, insufficient interaction with government agencies. Thirdly, travel agencies do not have additional service, hotels are little known, transport companies note low territorial accessibility. The key problem is the introduced restrictions on social activity associated with the risk of the COVID-19 spread, which completely blocked the tourism and hospitality organizations activities. The results of the tourism industry temporary suspension severely dictated by the sanitary and epidemiological situation around the world, are disappointing:

- 73% of income on average lost each respondent organization,
- 96% - loss of industry actual income,
- 27.9% - the share of credited organizations.

Of course, not all enterprises will be able to quickly adapt to the new conditions that require compliance with social distancing standards. To do this, it is necessary to modernize infrastructure [10], equip recreation places with the necessary personal protective equipment, as well as divide tourist flows in order to minimize the
interaction of people. In the case of a temporary ban on visiting tourist places, it is possible to provide online services by organizing virtual tours [9, 12]. Domestic tourism is of particular relevance, the development of which also requires financial costs. The sociological study showed that for most respondents the proposed support measures are incomprehensible, inaccessible and ineffective. 43% of organizations indicated the need for personalized online information about support measures and a step-by-step mechanism for obtaining it. In this regard, it is recommended that the business community and the public be involved in the process of discussing and implementing the development strategy of the region [8]; establish feedback from target groups of sectoral specialists and the population on the degree of satisfaction with the achieved results of the socio-economic development of the region; ensure high-quality information support of management decisions by executive authorities; Provide up-to-date support measures that meet business requirements. Implementation of the proposed measures will allow to increase the efficiency of the tourism industry in the Samara region.

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