Impact of International Experience on the Regulation of Domestic Tourism in Russia

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Abstract

The development of domestic tourism at the present stage is very relevant since it will contribute to the development of small and medium-sized businesses in tourism, employment, the formation of modern infrastructure, the preservation of a competitive environment in the market of tourist services, and the increase in the share of tourism in the economy.

The purpose of this study is to substantiate the impact of international experience on the measures of regulation of domestic tourism in Russia.

The article reveals the essence of domestic tourism, explains the excellent characteristics and advantages of domestic tourism. The process of organizing the functioning of domestic tourism has been investigated, considering international experience in regulation. It has been substantiated that the development of domestic tourism can be effective only if mechanisms of state regulation are introduced (tax regulation, stimulation of enterprises engaged in domestic tourism, priority for the state, promotion of the national tourism product in the service markets).

The article analyzes the impact of the COVID-19 pandemic on the tourism industry, identifies problems and prospects for the development of domestic tourism during the pandemic. Based on the expert survey, the regulatory measures that have been taken by foreign countries to promote domestic tourism and their impact on the relevant regulation of the tourism industry in Russia have been determined. It is concluded that the measures of regulation and support of domestic Russian tourism largely overlap with similar measures taken by the governments of different countries.

1. **Introduction**

Domestic tourism is quite common in the countries of the world. Domestic tourism, from a historical point of view, is the first form of tourism, and in modern practice, it still accounts for a significant part of tourist activity. According to UNWTO economists, global domestic tourism before the start of the pandemic accounted for 73% of total overnight stays, 74% of arrivals, and 69% of overnight stays in hotels, 89% of arrivals, and 75% of overnight stays in other temporary accommodation [1].

Unlike tourists traveling abroad and foreign tourists entering Russia, the larger volumes of domestic tourists are not fully accounted for in the statistics. This is due to the peculiarities of the organization and implementation of internal tours, since: 1) domestic tourists do not cross the state border; 2) quite often tourists do not use the services of tourist enterprises, but prefer flashpacker; 3) usually private buildings serve as means of temporary accommodation, in particular for certain types of tourism (rural, adventure, certain types of ecological, sports tourism), which is practically the norm; 4) there is no need to purchase insurance policies; 5) there is no practice of using the services of tour bureaus.

Thus, for a systematic and more in-depth study of various aspects specific exclusively to domestic tourism, and for planning and organizing its further development, there is a need to study the processes and phenomena related exclusively to domestic tourism. Also, due to the spread of the pandemic, it is at the present stage that domestic tourism is quite relevant and in demand. The main components that have not received much attention from scholars are the identification of the distinctive characteristics, advantages of domestic tourism, and the peculiarities of the influence of international experience on the measures of regulation of domestic tourism in Russia.

2. **Literature Review**

Tourism, as a rather specific sphere of economic activity, public life, and international relations, can be considered in various aspects. Accordingly, there are many classifications of types and forms of tourism, they are very diverse and differ in depth and content. One of the most widely used types of tourism is its identification by the direction of tourist flows, according to which the generally recognized types of tourism are outbound (foreign), inbound (foreign), and domestic [2, 21].

There are various definitions of the concept of "domestic tourism" in the scientific literature (Table 1).
Table 1. Definitions of the "domestic tourism" concept

<table>
<thead>
<tr>
<th>Source</th>
<th>Definition</th>
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<tbody>
<tr>
<td>[3]</td>
<td>domestic tourism includes the activities of resident visitors within a particular country (as part of a domestic tourist trip or as part of an outbound (foreign) tourist trip)</td>
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<tr>
<td>[4]</td>
<td>travel of resident visitors outside of their normal environment, but within their own country (travel within the country of persons who are permanently resident in that country)</td>
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<tr>
<td>[5]</td>
<td>tourism within the territory of the country of persons who permanently reside in it</td>
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Based on the analysis of the existing scientific literature interpretations of the essence of domestic tourism [6-9, 22, 24, 25], it follows that most definitions contain some common basis, and do not differ in radically opposite visions. Thus, the main features that characterize the essence of domestic tourism include:

- spatially, the territory of a person's temporary departure from the place of permanent residence, provision, and receipt of domestic tourism services is limited to the borders of the country;
- consumers of domestic tourism services of the country are its citizens;
- the legal relations between the objects and subjects of domestic tourism services are regulated by the national legislation of the country.

According to [10, 23], a rather important aspect in identifying the essence of domestic tourism is that the enterprises providing services for domestic tourism are exclusively resident enterprises. Quite often, foreign companies that are registered following the legislation of the country where such activities are carried out can also be involved in domestic tourism: international tourist operators; airlines; temporary accommodation facilities (accommodation), which should primarily include individual hotels of international hotel chains that report directly to the head offices; insurance companies [11, 20].

When developing domestic tourism, it is important to take into account certain reservations, in particular, according to T. Huybers [12], "the development of domestic tourism should not be viewed as an antagonism or an alternative to international tourism – these two forms of tourism are different, and one should not be neglected in favor of the other", and the second caveat concerns "the lack of a single formula for the development of domestic tourism", therefore, national and regional specific features, environment, potential should be taken into account and used.

Studies of the tourism industry in recent months have focused on the impact of the COVID-19 pandemic on the tourism industry, including domestic tourism trends. Thus, the study [13] notes that domestic tourism will recover faster. It offers a major chance to spur recovery, especially in
countries, regions, and cities where the sector supports a plethora of jobs and businesses. Researchers [14] believe that domestic tourism will play an important role in the initial stage of recovery, given the uncertain prospects for international travel. Thus, countries where domestic tourism already accounts for a significant share of the tourism economy are more likely to see a recovery in this sector faster than countries that are heavily dependent on international tourist flows.

Another aspect that contributes to a certain extent to the reorientation of tourism enterprises to domestic tourism and will increase in the future is the termination ("conservation") of the activities or bankruptcy of powerful tourism operators focused on outbound tourism [15]. The main factors that have contributed to the aggravation of these problems are primarily related to the introduction of restrictions due to the spread of the pandemic. Therefore, the problems of the functioning and development of domestic tourism are very urgent and require an appropriate response and early solution.

Based on the above, we can formulate the purpose of the study, which is to justify the influence of international experience on the measures of regulation of domestic tourism in Russia.

Following this, the following tasks are set:
1) disclosure of the essence of domestic tourism, the advantages of domestic tourism for various contact audiences;
2) study of the process of organizing the functioning of domestic tourism, considering international regulatory experience in the context of the spread of the COVID-19 pandemic;
3) identification of prospects for the development of domestic tourism during the pandemic.

The hypothesis of the study: the measures of regulation and support of domestic Russian tourism largely overlap with similar measures taken by the governments of different countries.

The article consists of an introduction, a literature review, methods, results, discussion, and conclusion.

3. Methods

General scientific methods were used to solve the tasks set in the work:

a) theoretical: analysis of peer-reviewed scientific sources and industry analytics on the development of domestic tourism, especially in the context of the COVID-19 pandemic;

b) empirical – an expert survey. The experts were assigned the following main tasks: to determine the advantages of domestic tourism for various contact audiences, to indicate examples of international experience in regulating domestic tourism in the context of a pandemic.
At the first stage of the study, the available scientific papers and analytical sources in the field of research were studied.

At the second stage of the study, communication with experts was carried out online. The survey was conducted in Russian. The survey was attended by experts (32 people), employees of travel companies, whose professional activity for more than 7 years had been related to professional activity in the field of domestic tourism. All survey participants were warned about the survey's goals and that the study organizers plan to publish its results in a generalized form.

4. Results

Experts point out the distinctive characteristics and advantages that distinguish domestic tourism from outbound and inbound tourism, which can be grouped into certain areas (economic, social, legal, cultural), which can also concern both individual tourists and enterprises providing tourist services, as well as regions and the state as a whole (Table 2).

<table>
<thead>
<tr>
<th>Advantages</th>
<th>For consumer</th>
<th>For companies that provide services</th>
<th>For regions and the state as a whole</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>The relatively low cost of the tourist product in general and individual services, in particular (including the services of partner companies)</td>
<td>Strengthening of positive changes in various economic processes (income of various subjects, budget revenues, investments, business development)</td>
<td>No need for additional expenses for communication with foreign partners</td>
</tr>
<tr>
<td>Social</td>
<td>Understanding of the various processes of social life and, accordingly, less likelihood of certain problems and risks</td>
<td>Opportunities to receive investments for the needs of cultural nature, preservation of heritage</td>
<td>Better business predictability, less sensitivity to the impact of various negative factors</td>
</tr>
<tr>
<td></td>
<td>No need to get used to the climate and weather</td>
<td>A catalyst for the development of foreign tourism and economic processes in general</td>
<td></td>
</tr>
</tbody>
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Table 2. Grouping the benefits of domestic tourism for different contact audiences
Eating familiar food  | Promoting the elimination of social tension
Engaging the broader population  |

| Legal |  |
| Staying in a familiar legal environment  | No need to apply passport, visa, customs, and other formalities  |
| No need to take into account passport and visa, customs, and other formalities  |
| No need to take into account international policy factors when organizing a trip  |

| Cultural |  |
| Use of the state or other language common in the country  | Popularization, preservation, and enhancement of customs, traditions, and cultural and historical heritage  |
| Clarity of national customs and traditions  |
| Understanding cultural and historical processes  |
| Cultural growth, enrichment of the spiritual world  |
| Understanding the features of the corporate culture of partners and sharing experience  | Enhancing cultural exchanges between regions  |

| Patriotic education  |
| Re-visit destinations and longer stays  |

Note: compiled based on the expert survey

According to one interviewee, like international tourism, domestic tourism has also been severely affected by the containment measures. Thus, the pandemic crisis has highlighted the urgent need for countries to adopt an integrated approach to domestic tourism policies so that regulatory measures to mitigate the effects of the pandemic, as well as long-term recovery and stimulus measures, are consistent and complement overall economic stimulus packages (Table 3).

### Table 3. Regulatory measures in the field of domestic tourism in the context of the pandemic

<table>
<thead>
<tr>
<th>No</th>
<th>Country</th>
<th>Regulatory measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ireland</td>
<td>According to the &quot;Road Map for the Opening of Society and Business&quot; in Ireland, the gradual opening of the tourism sector is aimed at giving a boost to the development of domestic tourism.</td>
</tr>
<tr>
<td>2</td>
<td>Iceland</td>
<td>The recovery measures first included domestic travel vouchers and an internal advertising campaign. The payment and collection of the accommodation tax were then suspended until 31 December 2021, while residents over 18 years old will receive 1.5 billion ISK in vouchers from the government for domestic expenses. This promotion is implemented in cooperation with the Icelandic Travel Industry Associations</td>
</tr>
</tbody>
</table>
| 3   | New Zealand | 1. The Transition Tourism Program will provide advice and support to move businesses to the domestic and Australian markets.  
2. The Program for the protection of strategic tourism assets. This fund will identify key tourism assets that play a vital role in New Zealand's domestic tourism offerings and provide them with the necessary protection and assistance |
<table>
<thead>
<tr>
<th>Country</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
<td>Domestic tourism is stimulated by the campaign &quot;100 reasons to go to Finland&quot;, which involves various organizations that participate in the financing.</td>
</tr>
<tr>
<td>Australia</td>
<td>The Australian government has announced a series of economic stimulus packages. Specific measures to support domestic tourism include support for aviation (domestic airlines), exemption from fees for tourist destinations (visits to national parks).</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>The Government, in cooperation with representatives of the tourism industry, has prepared a tool to finance the restoration of domestic tourism. The program is based on vacation vouchers for employees and self-employed persons to stay in the Czech Republic.</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>The Ministry of Trade and Economic Relations coordinates the development and implementation of a program with professional associations in the field of tourism to stimulate the tourism sector, promotions, and the development of new products, simultaneously attract international tourists, and focus on the development of domestic tourism in the country. The Ministry's recommendation is to promote domestic tourist attractions to prove to citizens the importance of traveling to local destinations while trying to restore domestic tourism potential in the circumstances caused by the pandemic.</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>The Ministry of Tourism has introduced vouchers to encourage domestic tourism. Another important long-term measure is the creation of a Guarantee Fund to protect the interests of tourists.</td>
</tr>
<tr>
<td>Hungary</td>
<td>The Tourism Agency has launched several tourist video campaigns to boost demand for domestic tourism.</td>
</tr>
<tr>
<td>Korea</td>
<td>Domestic Tourism Demand Enhancement Program: stimulating spending on local tourism by issuing vouchers for domestic travel and tourism; increasing the vacation bonus subsidy program, which provides employees of small companies with vacation bonuses partially subsidized by the state (25% of the established amount).</td>
</tr>
<tr>
<td>Thailand</td>
<td>The Tourism Authority of Thailand (TAT) has developed a project to promote domestic tourism to increase the number of tourists while increasing the length of stay.</td>
</tr>
<tr>
<td>Kenya</td>
<td>Prices for tourism, especially wildlife safaris, have long been high for most Kenyans. The Government has introduced policies such as reducing entry fees to national parks and nature reserves for citizens, easing restrictions on movement within the country, and asking private travel companies to lower prices.</td>
</tr>
</tbody>
</table>

Note: compiled based on the expert survey

Thus, the results of the study showed that currently the measures of regulation and support of domestic Russian tourism largely overlap with similar measures taken by the governments of different countries.
5. Discussion

The results of the study showed that the governments of different countries focus their efforts on various campaigns to promote domestic tourism. However, expectations are not so rosy. For example, in the UK, several simulated scenarios of short-term impact on domestic tourism developed by VisitBritain reflect uncertainty about its prospects. A preliminary estimate of domestic tourism predicts a 24% decrease in tourist spending (night and day trips), equivalent to 22.1 billion pounds and higher in absolute terms than the projected loss of international spending [16].

Nevertheless, according to one of the experts we interviewed, "in the near term, domestic tourism offers the main chance to restore and support the tourism sector. Domestic tourism flows have been strongly affected by restrictions on the movement of people, but are expected to recover more quickly after the lifting of the containment measures". However, according to sources [17], it is unlikely that domestic tourism will be able to compensate for the reduction in international tourist flows, especially in destinations that are highly dependent on international markets. This will lead to significant macroeconomic effects in countries, regions, and cities where the sector supports many jobs and businesses.

According to the study [18], the scale of aid packages that are introduced to support and ensure the early recovery of domestic tourism is huge and extends to businesses of any size throughout the tourism supply chain. For example, in Australia, the Aviation Assistance Package provides for the reimbursement and cancellation of several government charges levied on the industry, including the excise tax on aviation fuel, fees for domestic airline operations, and fees for domestic and regional aviation security – the total cost of the measures is estimated at 715 AUD million [19].

Experts point out that the main challenge is how to transform the mitigation measures of the pandemic into longer-term measures to restore and stimulate domestic tourism, which can more effectively support the recovery of the sector and, in particular, those viable enterprises that may be in distress, but are key to the resumption of the functioning of the tourism system. It is also necessary to pay attention to what adjustments are needed in the current measures to better meet the needs of the tourism business.

6. Conclusion

The article explains the excellent characteristics and advantages of domestic tourism. It has been substantiated that the development of domestic tourism can be effective only if mechanisms of
state regulation are introduced (tax regulation, stimulation of enterprises engaged in domestic tourism, priority for the state, promotion of the national tourism product in the service markets). Under the condition of effective state regulation for the development of domestic tourism, the volume of services provided to tourists and, accordingly, deductions to budgets of different levels will also increase.

The impact of the coronavirus pandemic is felt throughout the tourism ecosystem, and the opening of new and restoring old domestic tourism destinations will require a unified approach. Tourism businesses and workers benefit from incentive packages for the entire economy, with many governments also introducing special measures for domestic tourism. Governments and the tourism industry are currently focusing their efforts on lifting travel restrictions and working with tourism businesses in terms of access to funds to maintain liquidity, applying new health protocols for safe travel and helping to diversify tourism markets; restoring tourist confidence and stimulating demand; preparing comprehensive tourism recovery plans to restore destinations, encourage innovation and investment, and rethink the tourism sector.

According to the results of the study, certain measures of regulation of domestic tourism in foreign countries, the effectiveness of which is confirmed by specific achievements in the development of domestic tourism, are advised to use in the development of the tourism industry in Russia, considering its historical, legal and cultural features.

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