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MANAGEMENT OF FINANCIAL AND ECONOMIC SECURITY OF TOURISM SPHERE IN CONDITIONS OF GLOBAL INSTABILITY

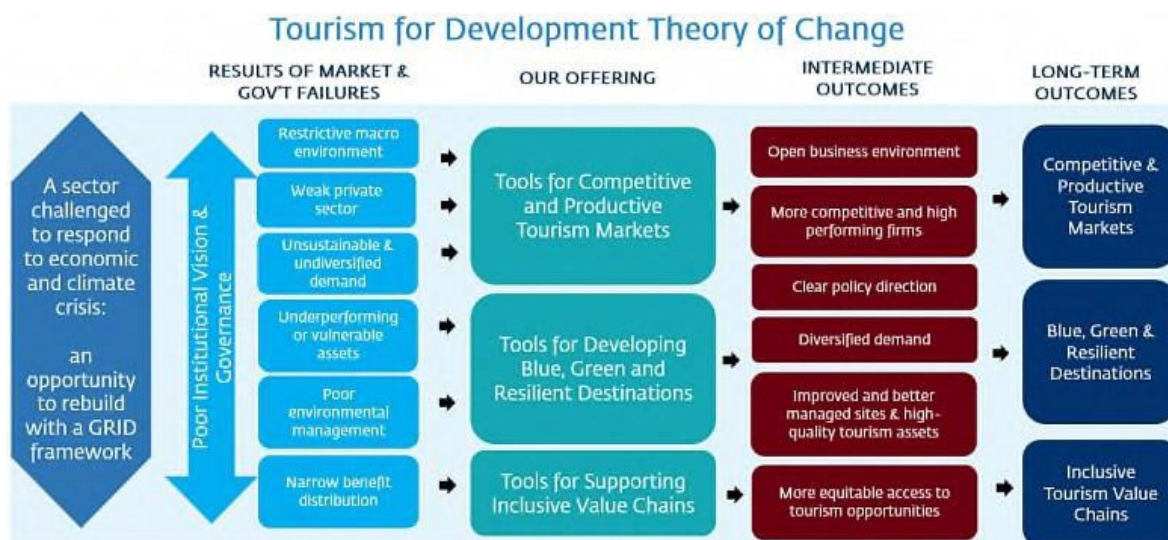
Tourism possesses an important role in international economic relations. The need and demand for tourism is stimulated by urbanization, scientific and technological progress, growing of living standards. Tourism reflects the modern tendency of living: people prefer dynamic recreation, restoration of working capacity combining with recreational, educational, sport, cultural activities. In many countries of the world tourism has become a major income issue of the state budget and belongs to one of the most perspective branches of national economy. World pandemic, conflicts and wars have a great negative impact on tourism, but it has to be mentioned that after stabilization of the situation tourism restores quite quickly, because people need a relief.

Tourism business has a commercial character and its main aim is obtaining profits. In the tourism sphere, the same as in any other sector of economy, profit is the main source of development, production expanding and dividend payments. A profit is one of the main final indicators of tourism business activities and is one of the most important signals for potential investors. In order to optimize their profits, tourism companies are searching for optimal interrelation between spending and a price of a tourism product. That's why management of financial and economic security of tourism sphere in conditions of global instability is very important.

The dominant feature of the financial and economic aspects of tourism development at the beginning of the 21st century in the world is that income from tourism grows faster and more stable than amount of tourists. This indicates the growing of economic efficiency of international tourism [1, p.154].

Due to Theory of Change in tourism [2], understanding why and how change happens will help development programs to make the most of the development potential of this sector. It is critically important that there is full understanding of the challenges, assumptions, solutions and indicators for tourism. The evidence behind tourism as a positive development change agent also needs to be regularly challenged and examined. To be successful, projects need to take the entire tourism landscape into consideration and leverage insights from past projects. Theory of Change (ToC) [2] provides a framework for the planning, execution and evaluation of tourism projects and programs that connects to project goals and development objectives and helps maximize tourism's potential. This report explains Finance, Competitiveness and Innovation (FCI) Global Practice's Tourism ToC as part of a suite of tools to help improve tourism

project design. It includes a step-by-step guide to using Theory of Change for tourism project and program design (pic 1).



Picture 1. Tourism for development Theory of Change
Source: [3]

Management of financial and economic security of tourism sphere in the conditions of full-scale war in Ukraine relies on the stability of macro-economic situation and banking sphere in Ukraine to a great extent.

At the NBU's initiative, all systemically important banks have combined their efforts to set up POWER BANKING, a joint banking network of bank branches that spans all of Ukraine and that will operate and render banking services to clients even during blackouts. The branches making up the joint network have alternative energy sources, backup communication channels, enhanced cash collection capabilities, and additional staff. In blackout conditions, a certain list of urgent banking services will be available to all customers at POWER BANKING branches. The services will include: cash withdrawals (at ATMs or cash desks), payments, money transfers (through cash desks or self-service terminals), currency exchange (provided the branch has FX cash in its vault), consultations with managers on financial issues.

In conclusion, management of financial and economic security of tourism sphere in Ukraine nowadays is in much better conditions than last year and than it was predicted for 2023. This achievement is possible due to stabilization of macro-economic situation in Ukraine, digitalization, financial and technical support from foreign partners.

References

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