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## **THE POTENTIAL FOR DEVELOPMENT OF THE TOURISM AND RECREATION SECTOR IN MOUNTAIN AREAS ECONOMY**

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### **ПОТЕНЦІАЛ РОЗВИТКУ ТУРИСТИЧНО-РЕКРЕАЦІЙНОЇ СФЕРИ В ЕКОНОМІЦІ ГІРСЬКИХ ТЕРИТОРІЙ**

Mountain cities, urban-type settlements, villages, and hamlets located in mountainous areas are characterized by a combination of natural and socio-cultural complexes and their elements. Various landscapes and a unique climate contribute to the formation and development of distinctive economies, with tourism and recreation at their core. The uniqueness of the mountainous landscapes, the diversity of natural resources, and the preservation of the authentic culture of mountain peoples make these areas exceptionally attractive to tourists. The article aims to study the potential for developing the tourism and recreation sector in the economy of the mountainous regions. The study concluded that realizing this potential requires the creation of favorable conditions that would stimulate investment, improve service quality, and ensure the preservation of the natural environment. Based on the results of the study, it was concluded that for the potential development of the tourism and recreation sector in the economy of mountainous areas, the key factors are the investment attractiveness of these regions, sufficient infrastructure development, preservation of the natural environment, and the improvement of the quality of tourism services. It has been proven that the investment attractiveness of mountainous areas is shaped by simplified procedures for obtaining permits, the provision of tax incentives, guarantees of investment protection, and the presence of promising investment projects that have already been implemented. It has been demonstrated that sufficient infrastructure development is shaped by components such as the construction and modernization of roads, the establishment of hotels, cottages, and other accommodations, the development of communications, and the creation of tourist routes and trails. It has been proven that the preservation of the natural environment is shaped by components such as the protection of natural areas, reduction of pollution, rational use of natural resources, restoration of damaged ecosystems, and the promotion of environmental awareness. It has been proven that the improvement of the quality of tourism services is shaped by components such as the standardization of services, enhancement of staff qualifications, infrastructure improvements, development of new tourism products, implementation of innovative technologies, increased transparency, and accessibility of information, and ensuring the safety of tourists.

Гірські міста, селища міського типу, селища, села, розташовані в гірській місцевості, характеризуються сукупністю природних і соціально-культурних комплексів та їх елементів, що, у поєднанні з різноманітними ландшафтами та унікальним кліматом, сприяють формуванню та розвитку унікальних економік, основою яких є туристично-рекреаційна сфера. Саме унікальність гірських ландшафтів, різноманітність природних ресурсів, а також збереження автентичної культури гірських народів роблять ці території надзвичайно привабливими для туристів. Мета статті полягає в дослідженні потенціалу розвитку туристично-рекреаційної сфери в економіці гірських територій. Вста-

новлено, що для реалізації цього потенціалу необхідно створити сприятливі умови, які стимулюватимуть інвестиції, покращуватимуть якість послуг та забезпечення збереження природного середовища. За результатами дослідження зроблено висновки, що для реалізації потенціалу розвитку туристично-рекреаційної сфери в економіці гірських територій важливою є їх інвестиційна привабливість, достатній розвиток інфраструктури, збереження природного середовища, підвищення якості туристичних послуг. Доведено, що інвестиційну привабливість гірських територій формують спрощені процедури отримання дозволів, надання податкових пільг, гарантування захисту інвестицій, наявність перспективних інвестиційних проектів. Доведено, що достатній розвиток інфраструктури формують такі складові, як будівництво та модернізація доріг, створення готелів, котеджів та інших засобів розміщення, розвиток комунікацій, створення туристичних маршрутів та стежок. Доведено, що збереження природного середовища формують такі складові, як охорона природних територій, зменшення забруднення навколишнього середовища, раціональне використання природних ресурсів, відновлення пошкоджених екосистем, пропаганда екологічної свідомості. Доведено, що підвищення якості туристичних послуг формують такі складові, як стандартизація послуг, підвищення кваліфікації персоналу, удосконалення інфраструктури, розвиток нових туристичних продуктів, впровадження інноваційних технологій, збільшення прозорості та доступності інформації, забезпечення безпеки туристів.

*Key words: authentic culture; tourism infrastructure; development of new tourism products; service standardization; mountain cities; urban-type settlements.*

*Ключові слова: автентична культура; туристична інфраструктура; розвиток нових туристичних продуктів; стандартизація послуг; гірські міста; селища міського типу.*

### PROBLEM STATEMENT

Mountain cities, urban-type settlements, villages, and hamlets located in mountainous areas are characterized by a combination of natural and socio-cultural complexes and their elements. In conjunction with diverse landscapes and a unique climate, it fosters the formation and development of unique economies, with tourism and recreation as their foundation. It is the uniqueness of the mountainous landscapes, the diversity of natural resources, and the preservation of the authentic culture of mountain peoples make these areas exceptionally attractive to tourists. Considering that this sector drives the formation and distribution of a multiplicative effect both within the economies of these regions and externally, its development within mountainous areas is becoming increasingly important. It should be noted that the development of the tourism and recreation sector in the economy of the mountainous regions is not spontaneous; it occurs in the presence of adequate potential for growth, which is realized through the balancing of economic, social, and environmental components in the development of these regions. Therefore, it's relevant to conduct a comprehensive study of the potential for developing the tourism and recreation sector in the economy of mountainous areas.

### THE ANALYSIS OF RECENT RESEARCHES AND PUBLICATIONS

In our work, we will draw on the scientific contributions of leading researchers such as Delyatynchuk A.I., Kulinich T.V., Maslyhan O.O., Kravtsiv V.S., and Zhuk P.V., who have made

significant contributions to the study of the economic features of mountainous regions. Their research will serve as a foundation for further analysis of the tourism and recreation component of the economy of mountainous areas. Despite the significant number of scientific works dedicated to the general aspects of the economy of mountainous areas, the issue of developing specifically the tourism and recreation potential remains insufficiently researched.

### PURPOSE OF THE ARTICLE

The article aims to study the potential for developing the tourism and recreation sector in the economy of the mountainous regions.

### THE PAPER MAIN BODY WITH FULL REASONING OF ACADEMIC RESULTS

The authors of the study emphasize the significant potential for developing the tourism and recreation sector in the economy of mountainous areas. An example of mountainous regions with high tourism potential includes the village of Syniak (within the Chynadiieve village territorial community), the settlement of Zhdieniievo (within the Zhdieniievo village territorial community), the settlement of Volovec, as well as the villages of Hukhlyvyi and Skotarske (within the Volovec village territorial community). This potential is understood as a combination of unused resources (natural, human, and infrastructural) and opportunities for growth in tourist demand that can be realized under certain conditions. It refers to the hidden reserves for the development of tourism, recreation, and wellness in these regions.

| <u>Actual potential of the tourism and recreation sector</u> |                  |                                                                                                                                                                                 |               |       |
|--------------------------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------|
| «...»                                                        | Tourism services | <u>Institutional environment</u>                                                                                                                                                | Human capital | «...» |
|                                                              |                  | The conditional potential is shaped by tourism resources and tourism infrastructure.                                                                                            |               |       |
|                                                              | Safety           | The components that contribute to the development of potential include: travel agencies, tour operators, wellness centers, local producers, and local communities and residents | Technologies  |       |
|                                                              |                  | Marketing and promotion                                                                                                                                                         |               |       |
| <u>Actual potential of the tourism and recreation sector</u> |                  |                                                                                                                                                                                 |               |       |

**Figure 1. Structure of the potential for developing the tourism and recreation sector in the economy of mountainous areas**

Source: formulated by the author based on [1–2; 4].

It should be noted that the potential for developing the tourism and recreation sector in the economy of mountainous areas encompasses prospects for a variety of activities, ranging from the creation of tourism products to the provision of services to tourists during their travels. Thus, the development of the potential of the tourism

and recreation sector in mountainous areas encompasses [2]:

1. The tourism direction, specifically the commercial activities related to organizing travel and accommodating tourists in various locations for purposes of leisure, exploration, or treatment.

2. The recreational direction involves commercial activities focused on organizing leisure activities aimed at restoring individuals' physical and mental strength.

3. Wellness, specifically the commercial activities that utilize natural and artificial factors of the mountainous area for the prevention of illnesses and the enhancement of health.

Logically, the main components that shape the conditional potential of the tourism and recreation sector in mountainous areas include [1; 4]:

1. Tourism resources, specifically natural (mountains, seas, lakes, forests) and cultural (historical landmarks, museums, theaters) objects that can attract tourists.

2. Tourism infrastructure, including guesthouses, hotels, restaurants, transportation, communications, entertainment facilities, and more

The main components that shape the actual potential of the tourism and recreation sector in mountainous areas include [1–2; 4]:

1. Tourism services, specifically the opportunities for booking, transportation, dining, organizing excursions, renting equipment, and more.

2. The institutional environment refers to the set of laws, regulations, norms, and institutions that influence the development of the tourism sector in mountainous regions.

3. Human capital, specifically qualified personnel (guides, managers, chefs, etc.), residents with foreign language skills, and a hospitable attitude towards tourists.

4. Safety, specifically the presence of an effective security system, medical services, and search-and-rescue operations.

5. Technologies, including the implementation of modern technologies

**Table 1. Content of the components that shape the phenomenon of investment attractiveness of mountainous areas**

| Components of investment attractiveness                                             | Characteristics of the features of the component                                                  | Impact on the potential for developing the tourism and recreation sector                                                                   |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <u>simplified procedures for obtaining permits</u>                                  | Reduction of bureaucratic barriers for investors wishing to develop tourism infrastructure.       | Acceleration of the investment process. <sup>1</sup><br>Reduction of costs. <sup>2</sup>                                                   |
| <u>provision of tax incentives</u>                                                  | Creation of a favorable tax regime for tourism enterprises.                                       | Increase in profitability. <sup>3</sup><br>Increase in the number of jobs. <sup>4</sup>                                                    |
| <u>guarantees of investment protection</u>                                          | Ensuring legal protection of investments and a stable investment climate.                         | Increase in investor confidence. <sup>5</sup><br>Attraction of long-term investments. <sup>6</sup><br>Reduction of risks. <sup>7</sup>     |
| <u>Presence of promising investment projects that have already been implemented</u> | Demonstration of successful investment projects that have already been implemented in the region. | Attraction of new investors. <sup>8</sup><br>Formation of a positive image. <sup>9</sup><br>Creation of a synergetic effect. <sup>10</sup> |

Note

1. The quick acquisition of necessary permits allows investors to start implementing their projects faster.

2. Simplification of procedures reduces costs associated with obtaining permits and licenses.

3. Tax incentives enable businesses to increase their profits, which can be reinvested in development.

4. The development of tourism infrastructure contributes to the creation of new jobs.

5. Guarantees of investment protection enhance investors' trust in the region.

6. Investors are willing to invest in long-term projects if they are confident in the protection of their investments.

7. A stable investment environment reduces risks for investors.

8. Successful projects attract new investors who see prospects for developing their businesses.

9. Implemented projects contribute to the formation of a positive image of the region as an attractive place for investment.

10. Successful projects stimulate the development of related sectors of the economy.

Source: formulated by the author based on [2; 5–6].

(booking systems, mobile applications, electronic tickets) to enhance the convenience for tourists.

6. Marketing and promotion, specifically effective marketing campaigns aimed at attracting tourists and creating a positive image of the region.

The main components that contribute to the development of the potential of the tourism and recreation sector in mountainous areas include [2]:

1. Travel agencies, which are organizations that sell tourism products.

2. Tour operators are companies that develop and implement tourism programs.

3. Wellness centers organize various wellness programs using the natural resources of mountainous areas. These include sanatoriums, spa centers, and balneological clinics that offer health treatments such as massages, mud therapy, mineral baths, and more.

4. Local producers and sellers of souvenirs offer tourists unique local products and handmade items. It can include food, beverages, clothing, and souvenirs made from natural materials.

5. Local communities and residents actively participate in the development of tourism by providing guest services, organizing festivals and celebrations, and creating an atmosphere of hospitality.

Based on the above points, we have outlined the structure of the potential for developing the tourism and recreation sector in the economy of mountainous areas, which is represented in its content in Figure 1.

It should be noted that the interaction of all the components outlined in the figure also determines the overall potential of the tourism and recreation sector in mountainous areas and its competitiveness in the economy. To harness sector development potential in mountainous economies is essential to create favorable conditions that encourage investment, enhance service quality, and safeguard the natural environment [4]. The main conditions for realizing potential are formed by:

1. The investment attractiveness of mountainous areas is shaped by simplified procedures for obtaining permits, the provision of tax

**Table 2. Content of the components that shape the phenomenon of adequate infrastructure development in mountainous areas**

| Components of infrastructure development                     | Characteristics of the features of the component                                                                                                                                                                         | Impact on the potential for developing the tourism and recreation sector                                                                            |
|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Construction and modernization of roads.                     | Creation of a quality road network that connects mountainous areas with populated places, tourist attractions, and administrative centers. Ensuring convenient access to mountain ranges, ski resorts, and hiking trails | Improves accessibility of mountainous regions for tourists, facilitates the development of transportation connections, and reduces logistics costs. |
| Establishment of hotels, cottages, and other accommodations. | Construction and modernization of hotels, cottages, campsites, apartments, and other accommodation facilities that meet modern standards of comfort and safety.                                                          | Provides comfortable living conditions for tourists, increases the number of accommodation options, and enhances service quality.                   |
| Development of communications.                               | Construction and modernization of communication systems (mobile networks, internet), ensuring access to electricity, water supply, and sewage systems.                                                                   | Fosters the development of online booking, e-commerce, and other digital services.                                                                  |
| Creation of tourist routes and trails.                       | Development and establishment of pedestrian, cycling, equestrian, and other tourist routes, as well as the creation of information boards and marking of trails.                                                         | Ensures diverse opportunities for active recreation, exploration of natural beauty, and cultural heritage of the region.                            |

Source: formulated by the author based on [2; 5].

incentives, guarantees of investment protection, and the presence of promising investment projects that have already been implemented. The content of the investment attractiveness of mountainous areas is outlined in more detail in Table 1.

All the components mentioned are interconnected and affect the investment attractiveness of mountainous areas.

2. Adequate development of infrastructure, specifically a state in which transportation, communication, energy, and social infrastructure meet the needs of economic development, ensures a high standard of living for the population, and creates favorable conditions for investment. This state is shaped by components such as (see Table 2):

- Construction and modernization of roads;
- Establishment of hotels, cottages, and other accommodations;
- Development of communication;
- Creation of tourist routes and trails.

So, all the aforementioned components are interconnected, and their development increases the number of tourists who can visit the mountainous region and expands the geography of tourism

3. Preservation of the natural environment, specifically the creation of opportunities for the protection, restoration, and sustainable use of natural resources, as well as the conservation of biodiversity and mountainous ecosystems [5]. It is

**Table 3. Content of the components that ensure the preservation of the natural environment in mountainous areas**

| Components of environmental preservation | Characteristics of the features of the component                                                                                             | Impact on the potential for <u>developing the tourism and recreation sector</u>                                                       |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Protection of natural areas              | Establishment and management of national parks, nature reserves, wildlife sanctuaries, landscape parks, etc.                                 | Preservation of the unique mountain nature, biodiversity, and landscapes. Attracting environmentally conscious tourists.              |
| Reduction of pollution                   | Implementation of technologies that reduce emissions of pollutants into the air, water, and soil.                                            | Preservation of air, water, and soil quality, which positively impacts the health of tourists and the local population.               |
| Sustainable use of natural resources     | Optimization of the use of water resources, forest resources, and mineral resources. Implementation of energy-saving technologies.           | Reduction of pressure on natural resources, ensuring their long-term availability.                                                    |
| Restoration of damaged ecosystems        | Restoration of forests, meadows, and wetlands that have been damaged by deforestation, fires, and pollution. Reclamation of disturbed lands. | Improves the ecological condition of the region, increases biodiversity, and restores landscape diversity.                            |
| Promotion of environmental awareness     | Conducting environmental education among the local population, tourists, and workers in the tourism industry.                                | Promotes greater responsibility among tourists for nature conservation and reduces the negative impact of tourism on the environment. |

Source: formulated by the author based on [3; 5–6].

**Table 4. The content of the components that ensure the preservation of the natural environment in mountainous areas**

| Components of environmental preservation                | Characteristics of the features of the component                                                                                                                          | Impact on the potential <u>for developing the tourism and recreation sector</u>                                                  |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Service standardization                                 | Implementation of unified quality service standards (both national and international) that ensure a level of service and meet customer expectations.                      | It ensures predictability in service quality, increases tourists' trust, and contributes to a positive image of the destination. |
| Staff qualification enhancement                         | Regular training of staff, enhancing their professional skills, language knowledge, and understanding of working with tourists.                                           | It improves the quality of service and ensures an individual approach to the client.                                             |
| Infrastructure improvement                              | Modernization of hotels, restaurants, and transportation infrastructure, as well as the creation of new tourist attractions (SPA centers, entertainment complexes, etc.). | It provides comfortable conditions for tourists' relaxation and expands the range of services.                                   |
| Development of new tourist products                     | Development of unique tourist routes and the creation of new types of active recreation (excursions, festivals, sporting events, etc.).                                   | It attracts new tourists, diversifies the tourist product, and increases the duration of tourists' stay.                         |
| Implementation of innovative technologies               | Use of online booking, mobile applications, customer relationship management systems, and intelligent data analysis systems.                                              | Automation of processes, personalization of services, increased efficiency, and reduced costs.                                   |
| Increased transparency and accessibility of information | Providing tourists with complete and reliable information about the tourist product, prices, booking conditions, and reviews from other tourists.                         | It enhances tourists' trust, simplifies the booking process, and lowers the risk of conflict situations.                         |
| Ensuring the safety of tourists                         | Development and implementation of security systems, medical insurance, and information campaigns about safety.                                                            | It ensures the safety of tourists during their travels and reduces travel-related risks.                                         |

Source: formulated by the author based on [1–3; 6–7].

possible based on components such as (see Table 3): protection of natural areas, reduction of pollution, sustainable use of natural resources, restoration of damaged ecosystems, and promotion of environmental awareness.

Considering the components outlined in the table, the development of the economy in mountainous areas will not lead to:

- pollution of air, water, and soil from industrial waste, household garbage, pesticides, and other harmful substances;

- reduction of forest areas leading to soil erosion, climate change, and decreased biodiversity;

- illegal hunting and fishing, which result in the decline of wild animal populations.

4. Improving the quality of tourist services, specifically enhancing the level of service, meeting the needs of tourists, and creating a positive image of the tourist product [4]. This state is shaped by components such as (see Table 4): service standardization; staff qualification enhancement; infrastructure improvement; development of new tourist products; implementation of innovative technologies; increased transparency and accessibility of information; ensuring the safety of tourists.

The listed components play an important role in enhancing the quality of tourist services. Their implementation enables the creation of competitive tourist products, attracts new visitors, and promotes sustainable development in the tourism sector.

### CONCLUSIONS FROM THIS STUDY AND PROSPECTS FOR FURTHER EXPLORATION IN THIS DIRECTION

The study highlights the significant potential for the

tourism and recreation sector development in the economy of mountainous areas. Noted that realize this potential, it is essential to create favorable conditions that stimulate investment, improve service quality, and ensure the preservation of the natural environment. The research findings conclude that to realize the potential for the development of the tourism and recreation sector in the economy of mountainous areas:

1. The investment attractiveness of mountainous regions is crucially shaped by simplified procedures for obtaining permits, providing tax incentives, guaranteeing investment protection, and the existence of promising investment projects that have already been implemented.

2. Adequate development of infrastructure is important, which is shaped by components such as the construction and modernization of roads, establishment of hotels, cottages, and other accommodation facilities, development of communications, and creation of tourist routes and trails.

3. Preservation of the natural environment is important, shaped by components such as natural area protection, reduction of pollution, rational use of natural resources, restoration of damaged ecosystems, and ecological awareness promotion.

4. Enhancing the quality of tourist services is important, shaped by components such as service standardization, staff qualification enhancement, infrastructure improvement, development of new tourist products, implementation of innovative technologies, increased transparency and accessibility of information, and ensuring the safety of tourists.

The prospects for further research lie in the detailed analysis of mechanisms for attracting investment in the tourist infrastructure of mountainous regions, the development of sustainable tourism zone models, and the assessment of the impact of tourism on the social sphere of mountain communities.

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