

WAYS TO INCREASE THE INCOME OF THE POPULATION BY ATTRACTING FOREIGN INVESTMENT IN THE DEVELOPMENT OF THE TOURISM INDUSTRY (ON THE EXAMPLE OF THE BUKHARA REGION)

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Abstract - Tourism is one of the most rapidly developing and highly profitable industries in the world, which contributes to the strengthening of international socio-economic, cultural and spiritual ties. At the moment, tourism is a new branch of the development of the economy of Uzbekistan, as well as its regions. The article is devoted to the study of the impact of tourism on employment. The article presents all types of tourism influence on the country's economy and employment of the population of a certain region. The statistics of 2019 on tourism in the Bukhara region are analyzed. Research papers on the impact of tourism on the economy and employment have been studied. The main directions of investment in the tourism industry are investigated.

Keywords- tourism potential of the region, tourism brand of Bukhara, foreign direct investment in tourism, economic development, employment, tourism impact on employment, direct and indirect impact

I INTRODUCTION

The sphere of tourism is becoming one of the leading spheres of the economy. And our region has great potential in this respect. Bukhara is one of the oldest cities in Central Asia and one of the greatest trade centers on the Silk Road. And Bukhara is a Museum city, where you can see more than 140 architectural monuments of the Middle Ages. The historical center of the city is included in the UNESCO world heritage list. Attractions such as the small Samanid mausoleum, which recently celebrated its Millennium, Kosh Madras, the Kalon Minaret and the Poi Kalyan architectural complex were built about 2300 years ago and attract many tourists. Recently, the volume of international tourist trips has been growing by an average of 4 percent per year.[1] This trend has a positive impact on economic growth, as well as an increase in export volumes and the number of jobs.

The turnover in this sector of the economy is trillions of dollars, each year it covers more than a billion people around the world. The share of tourism in the gross world product is 10.4 percent, and this sector accounts for one new job out of every 10 newly created. [1]

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In recent years, tourism has become a major export industry of the world economy, with an average of 11% of global GDP.

Also, it is worth noting the impact of tourism on jobs around the world. So, by the end of 2019, about 330 million jobs were created due to the development of the tourism industry. This figure is 10 % of global employment. Travel and tourism account for 1/4 of all global net jobs created over the past five years. [2]

To date, the lack of a specific mechanism for cooperation to attract investment in the tourism industry between local government authorities, relevant ministries and the authorized state body in the field of tourism has been one of the constraints to the accelerated development and creation of the necessary tourist infrastructure in the Republic.

In particular, the lack of authority of the State Committee of the Republic of Uzbekistan for tourism development in deciding to provide land plots for investors who intend to organize tourist infrastructure; allocation of land plots and territories that are inconvenient for creating tourist infrastructure, in particular from land and pastures that do not have engineering communications and are used in agriculture, etc.

In order to effectively address this problem, including selection by the state authorities in the field of territories, development of objects of tourist infrastructure, adapting them to the requirements of investment projects, the involvement of foreign investors, and to ensure systematic work in this area by the decree of the President of the Republic of Uzbekistan "On measures for further development of tourism in the Republic of Uzbekistan", State Committee for tourism development given volition, in particular, development of issues from the purpose of the tourist territory for the organization of tourist infrastructure facilities to the provision of land to the investor. [3]

II LITERATURE REVIEW ON THE TOPIC

Although the literature is full of studies measuring the direct relationship between foreign direct investment and economic growth, however, to our knowledge, to date, none of the studies has evaluated the impact of tourism growth on foreign direct investment on the economy.

World Travel&Tourism Council President and CEO Gloria Guevara Manzo, in annual report of WTTC, emphasizes the following: "Yet again, the strong economic performance of Travel & Tourism provides the power of the sector as a tool for governments to generate prosperity while creating jobs around the world." [1] According to Chernenko V., Fedorova S., Fedosov V. "investments in tourism can be both relatively small (the cost of holding festivals) and multi-million (the cost of infrastructure for stadiums, transit systems, airports and convention centers)." [4]

Khashimov P. and Kim T. assure that the rapid pace of development of world tourism over the past decade leads to an increase in the number of personnel employed in the field of world tourism in about two times every five years, and in one and a half times – the population's spending on tourist trips in the world. [5]

Musaev H. while studying the potential of tourism in Uzbekistan focused on the Law of the Republic of Uzbekistan "On tourism" adopted on August 20, 1999. The main directions of the implemented programs are defined as infrastructure development, including investment attraction, diversification of tourist products, and

activation of measures to attract foreign guests, improvement of the state of related infrastructure facilities for foreign visitors, training and advanced training of specialists in the sphere. [6]

Despite a significant amount of research on the importance and role of tourism in the economy, we will not be able to find any scientific work on the impact of tourism on job creation in the Bukhara region.

In our opinion, the development of tourism in the literal sense is developing the economy. Every new tourist is a new service, a new workplace. That is, as the number of tourists arriving increases year after year, the staff serving these tourists increases accordingly.

III DATA SOURCE AND RESEARCH METHODOLOGY

Analysis and synthesis, scientific abstraction deduction, classification, generalization, comparative, theoretical interpretation, and analytical methods were used in the methodology of this article, as a result of the bibliographic study, the direct and indirect factors affecting them and the prospects for further development were identified.

The information used in the article is mainly obtained through two sources: the official web pages of the State Committee of the Republic of Uzbekistan for Tourism development, WTTC and the Bukhara region Government.

IV ANALYSIS AND RESULTS

Before studying the impact of tourism on job creation, it is necessary to determine what economic impact tourism implies (Fig. 1):

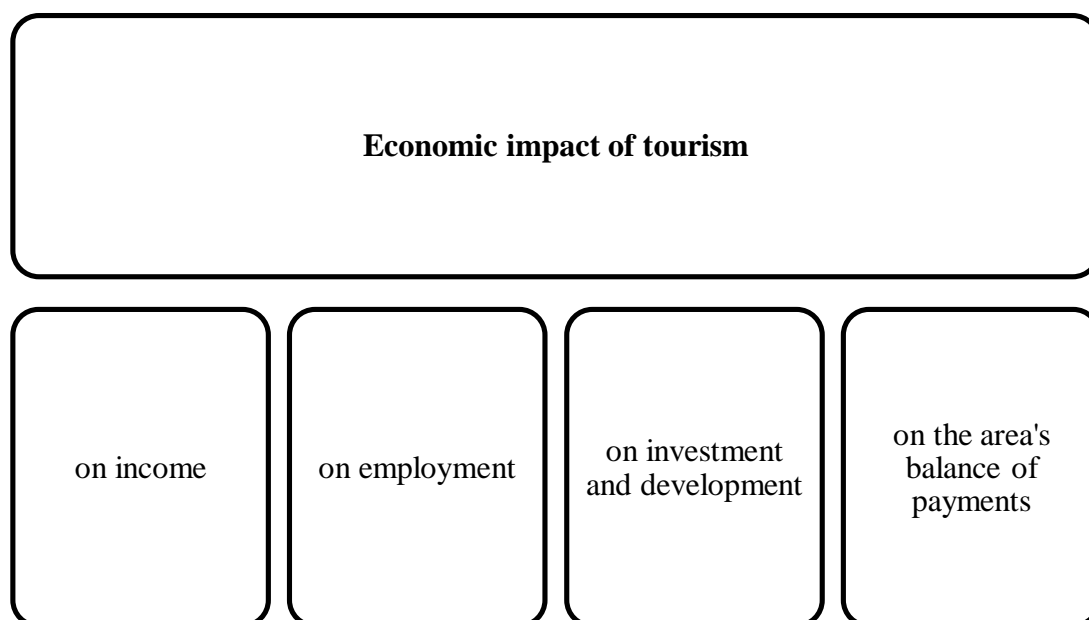


Figure 1: Ways of economic impact on tourism industry

In turn, the economic impact of tourism on job creation is divided into the following groups (Fig. 2):

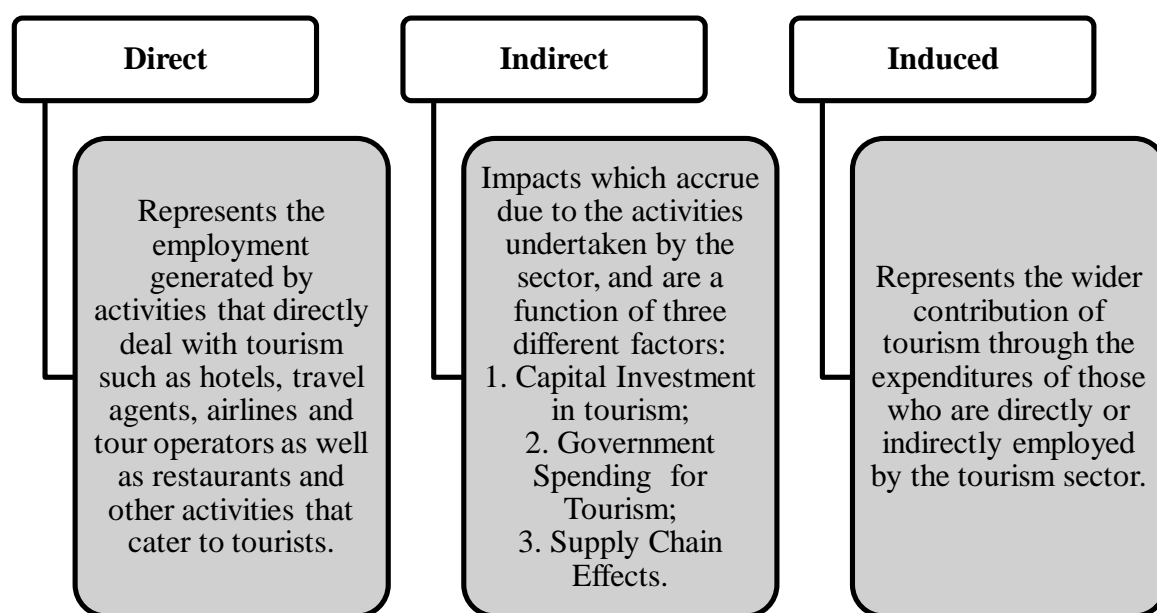


Figure 2: Direct, indirect and induced tourism impacts on employment [7]

The Resolution of the President of the Republic of Uzbekistan of May 19, 2017, “On immediate measures to develop the tourism potential of the city of Bukhara and the Bukhara region in 2017-2019”, and the Decree of August 16, 2017, “On the development of tourism in the years 2018-2019” are important steps towards the realization of this sphere. In accordance with these resolutions, a plan was developed to create favorable conditions for foreign tourists as well as local tourists visiting the country and further improving the quality of their services.

In order to develop tourism in the region and further improve the infrastructure of the tourism industry, the country’s leader approved a program on the basis of which a total of 21 hotels (17 of which in the city of Bukhara), 7 new buses of tourist type were put into operation. For a short time, the schedules of flights and high-speed train “Afrosiyob” are optimized.

New hotels in the city of Bukhara, cultural and entertainment places, such as an amphitheater designed for 500 people and other modernly equipped facilities are included in the tourist zone "Ancient Bukhara", located on 10 hectares of land where architectural and construction works are completed by both local and foreign architects.

According to experts’ calculations, every 30 tourists visiting the country contribute to the creation of 1 job in the tourism sector and 2 jobs in tourism-related industries.[8] tourism also has a positive impact on the development of the periphery, i.e. rural areas. It makes it possible to sell products of agriculture, local industry and crafts.

As practice shows, investment is one of the important conditions for the development of the tourism industry, since many factors depend on their volume and structure, which we can refer to:

- long-term dynamics of the tourism industry development;
- future financial and economic performance of the industry;

- quantitative and qualitative characteristics of tourist facilities and organizations in the future (including the capacity of accommodation facilities, production capacity and capacity of tourist facilities);
- compliance with the proportions in the structure of tourism industry development (interconnected development of hotels, transport, food networks, communications, entertainment, infrastructure in General in accordance with the volume of tourist flows and the structure of tourist demand);
- development of tourist demand and supply in the territorial and regional aspects, as well as the creation of a competitive external environment.

Investments in the tourist complex will increase the contribution to the development of the country's economy by increasing tax revenues to the budget, the inflow of foreign currency, increasing the number of jobs, preserving and rational use of cultural and natural heritage. One of the important tasks to achieve this goal is to create an adequate material and technical base and, above all, means of accommodation for tourists (hotels, holiday homes, campsites, etc.)

In order to attract tourists, a tourist destination must meet visitors' expectations of cost, convenience, leisure and entertainment opportunities, business activities and business meetings, congresses, opportunities to see cultural attractions and attend cultural events, etc. Tourists, like any other consumers, evaluate the prices, features and advantages of the destination, as well as the cost of time, effort and financial resources. Tourists consider factors such as the duration and the convenience of moving from the airport to the place of accommodation, the absence of language barriers, cleanliness and sanitary conditions, access to interesting places and sights the opportunity to combine the cultural program with business, safety (absence of riots, political instability), as well as the ability to meet special needs (for elderly, disabled, children; the need to diet; provision of medical services; availability of Fax and other communication; the possibility of car rental, the availability of halls for holding congresses, etc.). for these purposes, memorable events are necessary, which can be found out from the media, which is a vital component in attracting tourists.

FDI in tourism can come from various sources, and these activities are mainly related to the data shown in table 1.

Table 1: The most frequent activities FDI in the tourism sector

	Frequency with which FDI appears to occur		
	Most frequent	Occasional	Rare
Hotels and similar	√		
Restaurants and similar	√		
Second homes	√		
Passenger transport rental equipment	√		
Railway passenger transport services		√	
Air passenger transport services		√	
Road passenger transport services			√
Water passenger transport services			√
Passenger transport supporting services			√

Travel agencies and similar	√
Cultural services	√
Sports and other recreational services	√

Note: FDI, foreign direct investment.

Source: FDI in tourism. The Development Dimension. UNCTAD, 2007, p. 14

The concept of employment in tourism can be viewed from two points of view: in the narrow and broad sense of the word.

In the narrow sense of the word "employment in tourism" - is the presence of a capable part of the population of any work with the corresponding earnings.

In a broad sense, employment of the population means its employment with labor that creates everything necessary for the reproduction of society's life, its existence, development and prosperity. The lack of employment of the able-bodied population puts a heavy burden on the economy and social conditions of society, leads to the waste of life resources and hinders social progress.

According to the UN and ILO methodology in a market economy the population is divided into:

- on the economically active, the number of which is determined by the sum of employed and unemployed; the total number of employed and unemployed forms what is called the labor force;

- economically inactive, which is not part of the labor force, i.e. it is outside the labor force. This includes:

- full-time students;
- old-age and disability pensioners (groups I, II, III), as well as those who have lost their breadwinner;
- persons employed in the household, caring for children, sick relatives, etc.;
- those who are desperate to find a job and have stopped looking for it, but who are willing, able, and willing to work.

But this division does not mean that people who are included in the active or inactive population will remain there forever. On the contrary, they continuously move from one state to another, forming a certain state of the labor market in tourism in the form of population flows in this market.

The labor market in tourism is a socio-economic form of using labor resources, in which the labor force of an employee is treated as a commodity, i.e. it is sold and purchased under the laws of the market, and the carrier of labor acts as an employee. However, the fact that the labor market is being formed in tourism does not mean that a modern civilized labor market has already been formed. It has emerged, but has not yet formed in all the elements of its complex infrastructure and requires the creation of the necessary conditions that would ensure a normal, civilized procedure for the purchase and sale of labor.

Most tourist companies need qualified personnel such as tour operators, guides and managers. In our country, fairs of available jobs are held annually in educational institutions in the direction of tourism. They provide an opportunity for graduates to get acquainted with the activities of participating firms and companies, and for employers to choose highly qualified personnel.

In the field of tourism, it is difficult to create interest in work, since the seasonal nature of employment weakens opportunities for promotion, and issues of employee motivation are in some cases a difficult problem to solve. But if you do not find ways to solve this problem, the administration of enterprises in the hospitality industry will have to constantly hire new employees, which means that they will have to bear large expenses for professional training.

V CONCLUSION

Thus, international experience shows that investment in the tourism industry are an important factor in the development of tourism and the tourism development creates new jobs and thus increases the level of employment.

At the current stage of development, activities related to the creation of new opportunities, as well as the radical development of the tourism industry, in our opinion, should include the following:

1. Tourist rating of the country directly related to attracting investment in this sector. The development of tourism in the country could increase the inflow of investment, the flow of currency by increasing the export of services, create new jobs, and improve the quality of service. In our opinion, the State Committee for tourism development should pay attention to the development and monitoring of national and regional programs for integrated tourism development, accelerated development of a wide range of types of tourism, attracting foreign investment, as well as loans and grants from international financial institutions and other organizations in the development of tourism infrastructure.

2. Active attraction of foreign investment in little-used areas of tourism such as medical tourism, rural tourism, religious and pilgrimage tourism, ecotourism, gastronomic and wine tourism. The fact that the city of Bukhara is declared the capital of Islamic culture in 2020 makes it possible to develop religious and pilgrimage tourism. However, for this type of tourism, it is necessary to attract personnel who are familiar with the religion of Islam.

Historical cities of Uzbekistan are becoming more and more visited regions of the country. Accordingly, all tourist services increase significantly in relation to the flow of tourists.

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