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## **Assessments of national tourism development in terms of sustainability and inclusiveness**

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**Abstract.** The increase in global population movement and the development of tourism are connected with the development of transport and other infrastructures. Therefore, funds flow and capital migration increase, while it is possible to accumulate funds with the help of tourism, as well as to increase the GDP of countries, infrastructure and climate of which are attractive for tourists. Two hypotheses about the impact of tourism on the environment are

confirmed: positive and negative effects. A new approach of a “solidarity tourism” as a specific type of inclusive tourism, which is a process of cooperation between various participants of a tourism industry, is proposed. Solidarity tourism means that rural households, which are not fully involved in tourism services once get the opportunity to intensify their activities in this industry by focusing their service on people with special needs. In this case, a “double benefit” in a context of inclusiveness is achieved: on the one hand, an employment and income from tourism are provided in the rural households as a continuation and diversification of agricultural activity, and, on the other hand, quality tourism services are provided for those with special needs. The inclusiveness of tourism services in Ukraine is more connected with the inclusion of a wide range of rural households in the tourism field than with an accessibility of such services for those with special needs and disabilities. Institutional household sector exceeded the non-financial corporation sector in temporary accommodation and catering provision. Rural tourism becomes more widespread as a kind of economic activity mostly for households, located in environmentally friendly areas. However, Ukraine is among outsiders in terms of tourism due to a range of recent events that creates not very attractive image of the country, imperfection of legislation, the lack of effective actions of the government and insufficient desire to invest in tourism development. This article analyzes macroeconomic performances of rural tourism in the country, the level of the interest of population and communities in creation of a favorable tourism atmosphere. Several recreation points are estimated according to the proposed indicator of the investment attractiveness for tourism and the relevant conclusions are grounded. It was found that there is an ecological depletion of natural resources in Ukraine and no proper funds are invested in their recovery. This situation threatens the ecosystem, preservation of ethno cultural values and the development of tourism potential. At the same time, the meaning of environmental protection and the creation of environmentally friendly places for tourism become more important in the developed countries. There is no government support for the environmentally friendly tourism in Ukraine. Rural households provide hospitality services and improve environmental quality of them by investing their own funds.

*Key words:* rural tourism, inclusive tourism, rural households, ecology, wastes, ecological burden, tourist area

## **Оцінка розвитку національного туризму з точки зору стійкості та інклюзивності**

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**Анотація.** Зростання глобального руху населення та розвиток туризму пов'язані з розвитком транспортної та іншої інфраструктури. Тому припливи коштів та міграція капіталу збільшуються, тоді як можна акумулювати кошти за допомогою туризму, а також збільшити ВВП країни, інфраструктуру та клімат, які привабливі для туристів. Підтверджено дві гіпотези про вплив туризму на навколишнє середовище: позитивний та негативний вплив. Запропоновано новий підхід «солідарного туризму» як специфічного виду інклюзивного туризму, який є процесом співпраці між різними учасниками туристичної галузі. Солідарний туризм означає, що сільські домогосподарства, які не повністю залучені до туристичних послуг, як тільки отримують можливість активізувати свою діяльність у цій галузі, зосереджуючи свою послугу на людях із особливими потребами. У цьому випадку досягається «подвійна вигода» в умовах інклюзивності: з одного боку, працевлаштування та доходи від туризму забезпечуються в сільських домогосподарствах як продовження та диверсифікація сільськогосподарської діяльності, а з іншого - якість туристичні послуги надаються особам з особливими потребами. Інклюзивність туристичних послуг в Україні більше пов'язана з включенням широкого кола сільських домогосподарств до сфери туризму, ніж із доступністю таких послуг для осіб з особливими потребами та обмеженими можливостями. Інституційний сектор домогосподарств перевищив сектор нефінансової корпорації у наданні тимчасового проживання та харчування. Сільський туризм набуває все більшого поширення як вид економічної діяльності здебільшого для домогосподарств, розташованих в екологічно чистих районах. Однак Україна є одним з аутсайдерів за рівнем туризму через цілий ряд останніх подій, що створює не дуже привабливий імідж країни, недосконалість законодавства, відсутність ефективних дій влади та недостатнє бажання інвестувати в розвиток туризму. У цій статті проаналізовано макроекономічні показники сільського туризму в країні, рівень зацікавленості населення та громад у створенні сприятливої атмосфери туризму. Оцінено декілька точок відпочинку відповідно до запропонованого показника інвестиційної привабливості для туризму, а відповідні висновки обґрунтовані. Було встановлено, що в Україні спостерігається екологічне виснаження природних ресурсів, а на їх відновлення не вкладаються належні кошти. Така ситуація загрожує екосистемі, збереженню етнокультурних цінностей та розвитку туристичного потенціалу. У той же час значення охорони навколишнього середовища та створення екологічно чистих місць для туризму набувають більшого значення в розвинених країнах. Урядової підтримки екологічно чистого туризму в Україні немає. Сільські домогосподарства надають послуги гостинності та покращують екологічну якість їх, вкладаючи власні кошти.

*Ключові слова:* сільський туризм, екологія, відходи, екологічне навантаження, антропогенний вплив, туристичні зони

**Introduction.** Tourism as a kind of economic activity mostly develops in the areas that have natural resources with a positive impact on population health, as well as in the areas of cultural and historical interest. This process was chaotic for small Ukrainian localities, where human impact on the environment was offset. The strategies of local economy creation are not fully identified and are not formed in terms of rural environment attractiveness for tourists. Demographers use the facts that rural areas, where the source of work places is entertainment and recreation, have higher level of immigration than small localities, economy of which depends on agricultural production. Therefore, the aim of the article is to analyze the tendencies of rural tourism development in terms of inclusiveness, to determine the investment attractiveness factors of recreation areas, to examine the impact of tourist flows on the ecological state of the recreation area.

**Literature review.** Monitoring of tourist flows is important for the analysis of the attractiveness of such recreation and depends on various factors. Andraz et al. (2016) found that a large number of tourists in Europe belongs to Germany, as their movement is accompanied by the delays of tourist flows in other countries and shows the greater resistance to shocks. Tourism in Spain has less regular, but seasonal behavior, than in other territories. Dind Du et al (2016) state that the contribution of tourism into long-term economic growth was implemented with financial flows, as an integral part of a broader development strategy,

which is focused on standard income determinants. Investment in tourism in itself seems not enough for economic growth, but facilitates it (Yankovyi et al., 2020). There are other factors, such as ecology or an exclusiveness of a tourism product, that have an impact on tourists' decisions. Asrin (2015) came to the conclusion in his study that generalized Poisson regression is the best one in estimating a long-term international demand for tourism. Besides, it was found that inflationary pressures and real exchange rate fluctuations have negative correlation with international demand for tourism. However, foreign direct investments and trade openness have positive relation with international demand for tourism. The result of co-integrated test shows that there is a correlation between variables (Asrin et al., 2015).

Chatziantoniou et al. (2016) indicate that the analysis of macroeconomic indicators in tourism industry depends on economic situation of a country, strategic planning quality, national and cultural specifics of a country that have an impact on the purpose and timeframes of tourists' migration.

Gao J. et al. (2017) emphasizes that rural areas and lifestyle got over global crisis in recent years, especially in developing countries; traditional agriculture and rural culture disappear or suffer from assimilation because of urbanization and modernization. The case study of Yuanjia village shows that three levels of model (material, social and spiritual) are effective ways for successful revitalization of a village. Development with the

guidance of rural leaders or elite will implement an endogenic bottom-up development instead of downward agreement. (Yong-chang et al., 2016) states, that the development of ethnic rural tourism is a unique kind of income, which is an incentive to preserve the beauty of rural area and culture and, at the same time, it is an ideal destination in modern tourism.

The data in the table 1 show that a share of such economic activity as “temporary accommodation and catering provision” in the GDP of Ukraine is at the level of 0.7% and remains stable during the past seven years. At the same time, there has been a tendency of growing GDP and gross value added (GVA) according to this kind of activity, since 2015, and with the increase of 20-30% in 2016 - 2017 (2018).

**Table 1.** Performance indicators of such economic activity as “temporary accommodation and catering provision”

	2010	2011	2012	2013	2014	2015	2016	2017
Output in basic prices, million, UAH	19910	22234	22024	21917	21438	25458	32637	37737
A share % from the total output, according to the types of economic activity	0.8	0.8	0.7	0.7	0.6	0.6	0.6	0.6
Output in the constant prices in 2010, million UAH	19910	20782	19569	18903	17915	17726	18843	18894
chain index	114.2	104.4	94.2	96.6	94.8	98.9	106.3	100.3
Gross domestic product according to the given kind of activity, million UAH	8932	10256	10122	10150	9927	11946	15551	18727
%	0.8	0.8	0.7	0.7	0.6	0.6	0.7	0.6
Gross value added in the post price according to the given kind of activity, million UAH	8932	9591	9000	8526	8049	8224	8683	9051
Chain indexes, %	117.4	107.4	93.8	94.7	94.4	102.2	105.6	104.2

Chinese scientists have noted that the correlations between the sense of place for residents and perception of common and personal benefits, perception of personal expenses and support of tourism development are important. Besides, the residents' notion of a potential for tourism development had a great impact on the perception and support of a tourism development, except for personal benefits (Zhu et al., 2017).

Such methods as analysis, comparison, induction and deduction, economic-mathematical modeling, mapping and formalization were used according to the aim of the study.

**Results of the study.** Performance indicators of such economic activity as “temporary accommodation and catering provision” in Ukraine (in fact, it reflects tourism) and the contribution of this kind to the gross domestic product (GDP) of the country are of a great interest in the analysis of tourism potential of the areas. However, in order to separate commercial tourism from agro tourism or a rural tourism, which has its own specifics and is a continuation and diversification of agriculture, the last one is more often determined as “providing of rural hospitality services”. Most of such households are not subjects of economic activity.

The fact that in Ukraine such institutional sector as rural households in terms of the absolute scope of service rendered in the field of temporary accommodation and catering providing became equal with non-profit corporations in 2016 and exceed them in 2017, is gaining the attention. According to official statistical data, the output of sectoral composition of this economic activity was divided in such a way: 42% of the output are provided by non-profit corporations and 58% are provided by rural households. It means that the hospitality services provided by families become more widespread, especially in the rural areas. Taking into account the fact that a share of intermediate consumption in the rural households is lower (at the level of 40%) than in the sector of non-profit corporations (at the level of 65%), rural households are characterized as those with bigger GDP (70%) and with bigger gross profit from this kind of economic activity (Table 2).

It's necessary to pay an attention to the fact that there is a subsector in the segment of rural households, which consists of self-employed people (besides employers, employees and income beneficiaries from property and transfers). The last ones have smaller output shares (in the basic price) in this kind of

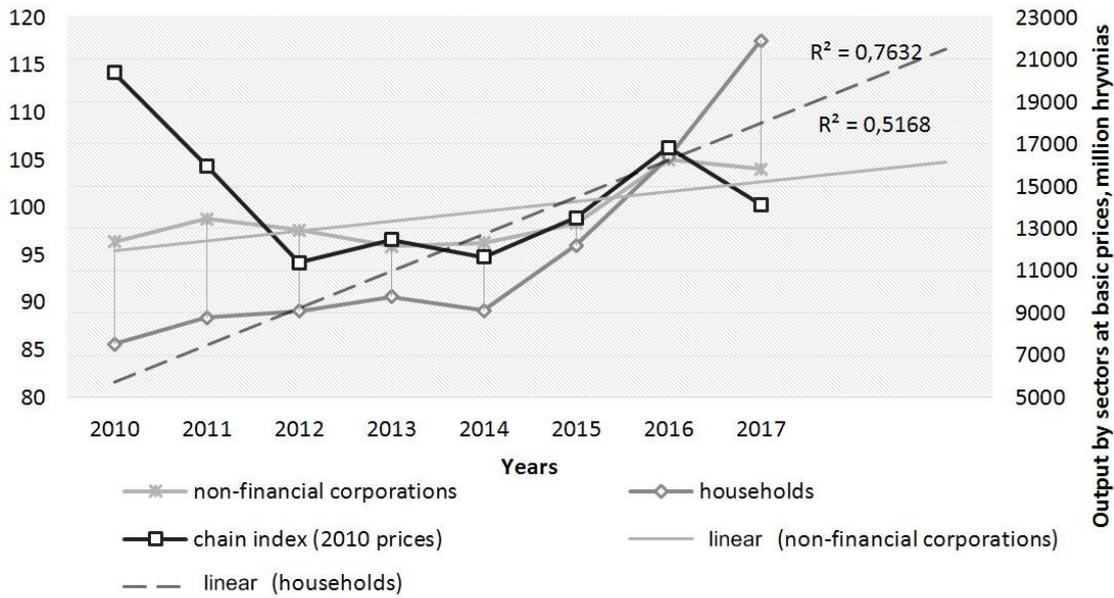
**Table 2.** Performance indicators of such economic activity as “temporary accommodation and catering provision” according to institutional sectors

	2010	2011	2012	2013	2014	2015	2016	2017
Output of sectors in the basic prices, million UAH:								
-non-profit corporations,	12382	13451	12919	12148	12325	13252	16253	15840
-rural households	7528	8783	9105	9769	9113	12206	16384	21897
Output sectoral composition according to the given kind of activity, %								
-non-profit corporations,	62.2	60.5	58.7	55.4	57.5	52.1	49.8	42
-rural households	37.8	39.5	41.3	44.6	42.5	47.9	50.2	58
Intermediate consumption, million UAH								
-non-profit corporations;	8090	8627	8430	8095	8030	8606	10498	10244
-rural households	2888	3351	3472	3672	3481	4906	6588	8766
Output of sectoral composition according to the given kind of activity, %								
-non-profit corporations,	73.7	72.0	70.8	68.8	69.8	63.7	61.4	53.9
-rural households	26.3	28.0	29.2	31.2	30.2	36.3	38.6	46.1
A share of an output intermediate consumption %								
- non-profit corporations,	65.3	64.1	65.3	66.6	65.2	64.9	64.6	64.7
- rural households	38.4	38.2	38.1	37.6	38.2	40.2	40.2	40
linked index	114.2	104.4	94.2	96.6	94.8	98.9	106.3	100.3
Gross value added, million UAH								
- non-profit corporations,	4292	4824	4489	4053	4295	4646	5755	5596
- rural households	4640	5432	5633	6097	5632	7300	9796	13131
GDP sectoral composition according to this kind of activity, %								
-non-profit corporations,	48.1	47.0	44.3	39.9	43.3	38.9	37.0	29.9
- rural households	51.9	53.0	55.7	60.1	56.7	61.1	63.0	70.1
Compensation of employees, million UAH:								
-non-profit corporations ,	4159	4773	5327	4393	4956	4867	4997	6558
- rural households	211	364	743	1602	903	991	1727	1247
Gross profit, million UAH:								
- non-profit corporations,	27	-79	-989	-413	-726	-294	724	-1001
- rural households	4348	4054	4682	4160	4367	6072	7826	11498

economic activity (temporary accommodation and catering provision), which are at the level of 4 - 24%, while self-employed people provided 47.8% of the total output in 2016.

Figure 1 shows the increase of product output in both sectors since 2010 till 2017. The changes are particularly evident in the household sector, which shows the trend with a determination index of 0.76. How-

ever, if we analyze the dynamic pattern of changing the chain index, which characterizes the total output of both sectors in the prices of the year 2010, the situation will not have any positive results, and the performance indicators of the next year will be not accurately predicted and will not have a stable growth. It shows the slow development of rural tourism, especially by non-profit corporations because of the ab-



**Fig. 1.** Gross product of such economic activity as “temporary accommodation and catering provision” according to institutional sectors (output by sectors at basic prices, million hryvnias)

Source: compiled by the authors

sence of government support for this kind of activity.

The attractions (sights) can be determined as places or objects that deserve special attention because of their qualities; these are specific assets of a certain area, that attracts not only local residents, that choose these places for life, but also for external tourists, that want to visit them. For example, in rural areas

there are special landscapes – terraces, cultivated fields, together with natural fields of tulips and daffodils, nature reserves or parks, lakes and ponds with swans or other poultry. Historical buildings, embankments, mounds and heritage railway in the mountains are also attractions for tourists. Landscapes are dominant in Ukrainian countryside’s; there are fields, pastures, wood lines and forests, hilly areas and village settlements with ranges of households that perform agriculture (Koval, V., Popova, O. Et al., 2019). Most rural communities have some natural and historical attractions (sights).

According to the observations, it’s seems categorically different sights and places are likely to be attractive for tourists:

those with especially attractive conditions (recreation areas, unique objects);

those with rough conditions (critical, abandoned places and objects), including the extreme conditions for a certain categories of tourists. A depressive Chernobyl zone, which also is an active tourist area, is an example of that last ones.

There should be different types of “tourist products” in accordance with the preferences of different categories of tourism: expensive products (so-called

VIP –products), medium –priced products (affordable for a wide range of consumers) and low – cost tourist products. It is important to note that in the cases when the improvement of the area and infrastructure is much more expensive than the price of tourist services, the expectations of a tourist flow cannot be met and the tourist flow is decreased.

The United Nations World Tourism Organization (UNWTO) defines another kind of a tourism, an inclusive one as such a form of tourism, that includes the process of collaboration between different participants of tourism industry, gives those with special needs the accessibility (including mobile, visual, acoustic and cognitive elements of an accessibility) to function on equal terms and with dignity, which is possible with a help of universal tourist products, services and areas.

The given definition fairly emphasizes the process of collaboration between different participants of a tourism industry, but the only participants, those with special needs are specified as consumers of tourist products and services.

This article shows another side of participants of the inclusive tourism. These are rural households as suppliers of tourist products and services. It’s needed to create the most appropriate accessibility conditions to this industry for them. They consider rural tourism as a continuation and diversification of agriculture. It’s important to create a favorable climate for such households in order to involve them into tourism industry, unlike bigger operators, which have better economic possibilities and the effects of scaled

economies. It's particularly concerned with such rural households that do farming, produce agricultural products according to traditional methods and bring it to the table for tourists. Thus food corresponds to cultural traditions, and this provides national food sovereignty (unlike the food safety, when food can be imported). In such a way, an inclusive tourism does not only concern the inclusiveness of demand that means providing conditions for those with special needs. It's also important to provide the inclusiveness of supply, which means providing the abilities to offer hospitality services for small operators, such as rural households, especially for those, which consider tourism as diversification of their agriculture.

The accessibility of tourism services providing for rural households is also about human labor right. Such opportunities of rural households are in the base of solidarity tourism creation.

Solidarity tourism means that rural households, which are not fully involved in tourism services once get the opportunity to intensify their activities in this industry by focusing their service on people with special needs. In this case, a "double benefit" is achieved for both, rural households and tourists with special needs.

Nowadays there are up to 11% of global tourist flows in the inclusive tourism and it is predicted to reach 22% of all the expenses for tourism in the world in 2020 (according to UNWTO).

In this case, striving to provide such shares for the institutional sector of households as small tourism operators in tourist flows seems logical.

In the promoting of development, which is based on the attractions for tourists, the issue of the estimation of the tourism influence on the ecology of tourist spots and their environment is very important (Koval et al., 2019). Besides, there has been a growing interest to the role of attractions in the development of rural areas in 1990.

Scientists had almost the same opinion about the paradigmatically shift in the consideration of the existent determinants (assets) of the development of those rural areas, which are full of attractions. (Green G. P. et al., 2005). This shift is about the fact that communities from the areas, that have many sights, more often prefer to create the activity, based on promotion of the environmental quality, moving away from the extracting of natural resources for foreign markets and for the foreign trade development (Prystupa et al., 2019).

However, the amount of wastes and a general impact on the ecosystem increase when the area becomes more popular. That is why it is important to

analyze the indicators of the social welfare of population in this area (Skripnik et al., 2016).

It's possible to formulate two hypotheses about the impact of tourism on ecology. The first one is about positive influence, as tourism can cause the creation and adherence of favorable ecological conditions by the local community in order to attract more tourists. The second one is about negative influence of a big tourist flow on a natural resource as a tourist attraction that appears in the depletion of this resource and to the environmental pollution in general.

The explanations of the hypothesis of the negative impact of tourism on the environment are similar to the "environmental" Kuznets curve, according to which the stages of development outline the existence of a clear and predictable pattern between the growth of a sight and its value.

In the initial situation, the quality of the sight remains due to the insignificant level of its use. However, when the economy and the rent obtaining from the sight are activated, the pressure on it and on the environment increases. Depletion and degradation of the resource and environment increase together with the economic growth. On the certain level the growth of income is connected with the necessity to protect the sight and environment. The growth of the sight value as a tourist product, and the restoration of custody and investments into this tourist object are possible.

In calculating of the investment attractiveness of an object (I) of the recreational value (formula 1) for n periods such factors as a decrease in profits due to environmental degradation or the environmental restoration to a zero state cost, human-induced burden factor (Ka, formula 2) and the cost of recreation complex or tourist sight maintenance cost should be taken into account.

$$I = \sum_{n=1}^N \frac{In - Out - Ei - Ka * S}{(1+r)^n}, \quad (1)$$

In means a total income of the recreation area for the period n; Out means the cost of maintenance and function of recreation area; , r – discount rate, s – recreation land area.

$$Ka = \frac{\sum_{n=1}^N P}{Pn}, \quad (2)$$

P – a number of visitors for the certain period; Pn – specified number of visitors that is settled and effects the ecosystem of the recreation area.

Let's analyze the investment attractiveness of a private household per 1 month (formula 3), which is located in Solotvino, has 800 m<sup>2</sup> with an average visitor rate of 50 people per 1 month and a total monthly

income of 1250 USD. The cost of the recreation area maintenance is 100 USD.

A contribution into the recreation area restoration (such as saline lakes and other non-private natural sites) was absent. The cost of the environmental restoration is considered to be equal to the cost of household maintenance, as it does not cause any excessive loads. Tourist fee (at the level of European countries) is 5% of a hotel cost per 1 person. In the situation, when a recreation area has a big tourist flow and there is a significant impact on the ecological aspect of the sight, the cost of area reset restoration is added to this amount.

$$I = (1250 - 100 - (400 + 0.05 * 25 * 50) - ((50/59) * 800)) / (1 + 0.17) = 8.1$$

(3)

The indicator value obtained is positive, so the household functioning is not a factor of environmental degradation but also does not contribute to the development of rural tourism (less than 50) and investments into environment restoration in the recreation areas of non-private sector. The solution is the government support of the rural households and tourists crowds, the increase of penalties for violation the norms of ecological legislation, the increase of expenses for the environment improvement and preservation of natural and cultural sights, control for the use of funds on the local level together with greater responsibility of the local communities and agricultural enterprises (Popova et al., 2019).

The indicator value of an investment attractiveness of the recreation areas at the coast of Black sea near Odessa is below zero, which shows the increase of human impact on ecology, despite the increasing income. It's also typical for non-private territories in Western Ukraine (for example, non-private lands near Hoverla (Lazeshchyna)), where a large accumulation of people and pollution of the areas is observed.

A correlation between the amount of recreation areas and waste dumps is shown using interaction maps (figures 2a and 2b)

The correlation between the number of recreation areas and waste dumps has been studied using the example of Odessa region (from Primorske to Fontanka) with a radius of 20 km from the coastline. Such a distance was chosen because of a big number of resorts and significant influence of wastes on the coast. There is a significant direct correlation between the amount of resorts and wastes. A correlation coefficient is 0.52. That means that the number of waste dumps in the studied area increases along with an increase in the amount of resorts and visitors.

Ukrainian communities don't fully realize the opportunities of households formation (local economy) based on the promotion of natural sights and with deviation from modern practice of natural resources depletion for foreign markets. Nevertheless, such deviation is already notable in many countries, especially in Europe. There are several reasons for not to perceive the sights as economic assets.

Firstly, in the most cases sights that attract tourist and contribute to tourism development are such assets that are not effectively regulated by market tools, as there are some problems in their nature identification (Vdovenko, Nakonechna, Samsonova, 2017). They are often public assets and it's difficult to force the users to pay for the goods they get from them. It leads to a "free-rider issue". Taking into consideration the fact that the tourism development activation often leads to the environmental degradation of the objects and places that eventually turn into polluted areas (Koval & Mihno, 2019; Popova et al., 2019).

A counteraction of local communities to the negative effects of tourism ("tourists – action") on a physical condition and ecology of tourism sights ("local communities – counteraction") is important in order to avoid such effects. However, the most important is the perception of certain unique objects not only as assets for tourism development, but also as assets of the development of local communities.

Then the management of common resources is formed, which has features of institution and that organizes this process and the use of these resources as well (Kostetska et al., 2020). An acceptance of tourist sights as assets of social and economic development of communities will motivate local population to make efforts in order to control the use and improvement of common wealth (Bukanov et al., 2019).

Secondly, an interest to the increasing income of private entrepreneurs puts on the back plan the interest of community and the desire to maximize the financial assets prevails the will desire to increase the expenses on the environment and eco-system protection. Funds are accumulated for the resort building acceleration, the increase in tourism flows by reducing costs on environmental restoration.

Thirdly, imperfect legislation slows down the implementation of waste recycling, and small penalties and ecological taxes cause negligence of population and business to this issue (Skripnik et al., 2015; Ciula et al., 2019; Gubanova et al., 2019).

The experience of rural tourism development shows that tourism is much more stable in the rural areas, where communities, agricultural and other enterprises allocate money for local market (from

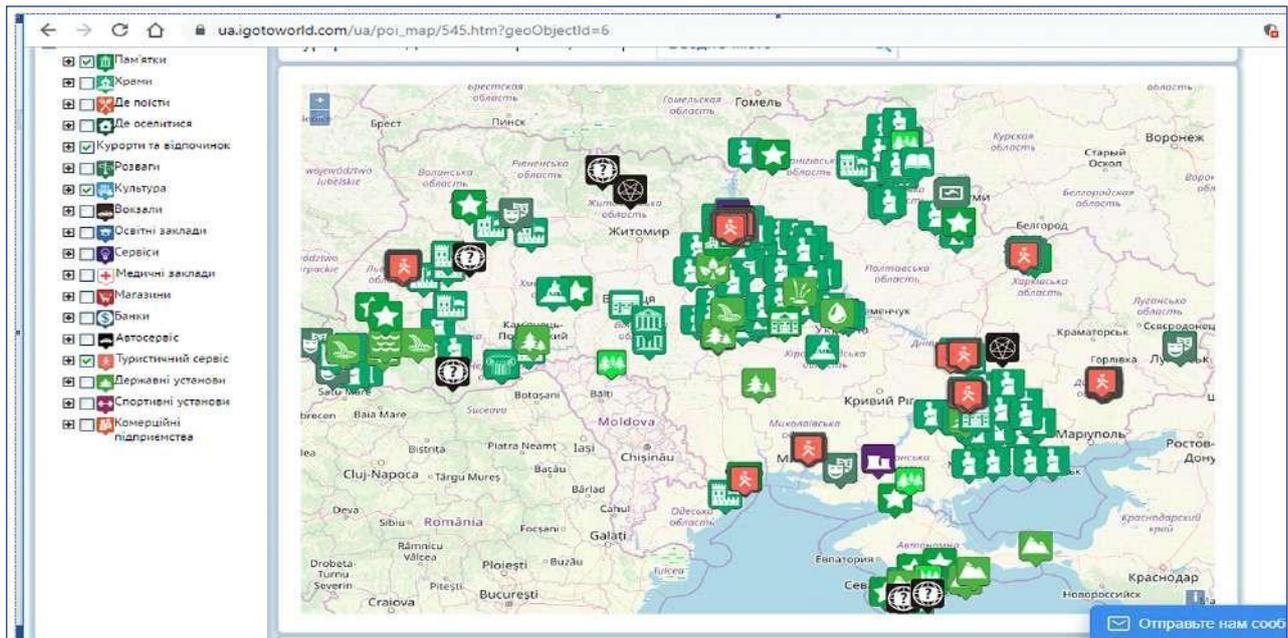


Fig. 2a. Resorts and recreation areas on an interactive map of Ukraine. Source: igotoworld.com

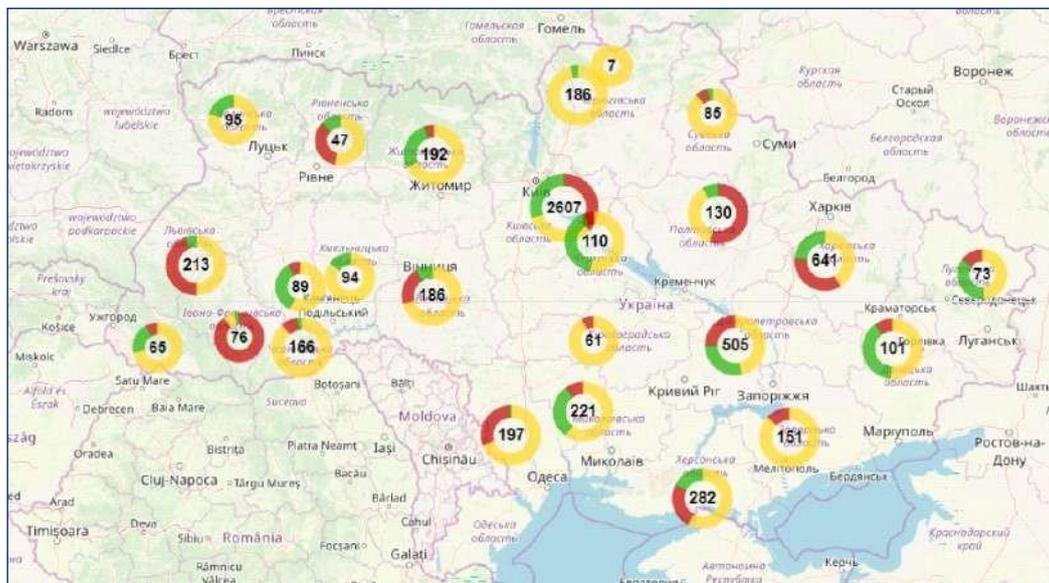


Fig. 2b. Waste dumps on an interactive map of Ukraine. Source: ecomapa.gov.ua

the local budgets, accumulate financial resources independently by creating funds to support recreation potential of the areas). Tourism in such areas facilitates the improving of economic potential by providing workplaces for local population, increase in production and people’s lives improvement in general. The ecological stability of natural systems is not disturbed, biological variety remains and the waste and environmental pollution are minimized because of a low density of tourists, which is provided by a huge number of households. The ethnographical peculiarities of receiving side ideally fit in the rural tourism, local communities, customs and traditions remain and develop, historical heritage is involved into tourism industry in such a way.

A group of territories is distinguished in the total number of resorts, where the key aspect of the choice of tourists is bad ecology and places that are inappropriate for life (Koval et al., 2019a). “Chernobyl zone” is among such places in Ukraine. According to official data, tourism in Chernobyl zone brought 39 million UAH to the state budget in 2018. In 2014, more than 8 thousands of tourist visited it, approximately 36 thousands in 2016 and 63 thousands in 2017. Despite the positive dynamics of the number of visitors, their attendance in this territory is strictly limited in comparison with ecologically friendly areas.

In 2017 Ukraine was ranked 88<sup>th</sup> out of 136 countries according to the Travel and Tourism Competitiveness Index (CCI), which is based on

80 indicators, grouped into 14 components, that are summarized into 3 sub-indexes such as the regulatory environment in the tourism sector; business environment and infrastructure; human, cultural and natural resources in the travel and tourism industry.

In terms of security, in 2018 Ukraine was in the top-10 countries-outsiders (it was ranked 127<sup>th</sup>; the presence of military conflicts on the territory of the state, crime rate and terrorist threat were taken into account). As for other positions, Ukraine was also at low levels: in terms of favorable business environment, investments in tourism industry it was ranked 124<sup>th</sup>, as for international openness – 78<sup>th</sup>, 79<sup>th</sup> as for aviation infrastructure, as for port and ground infrastructure – 81<sup>st</sup>, and 71<sup>st</sup> in terms of tourist services. However, the experts noted the high level of Ukrainian sanitary standards, for which our country was in the top-10. As for the price for tourist services, Ukraine is not the most expensive, and it was ranked 45<sup>th</sup>. Although, in terms of cultural resources it was ranked 51<sup>st</sup>.

The limiting factors of tourism development in Ukraine (according to CCI, despite of low security level and unfavorable business environment) are poor ratings in terms of such criteria: the existence of natural resources – 115<sup>th</sup> place; unfavorable ecological condition and ecological stability (97<sup>th</sup> place; it's caused by Chernobyl disaster), the level of focusing on tourism (90<sup>th</sup> place). However, the country is quite “friendly” for tourists in terms of human and cultural resources, sanitary condition and price competitiveness.

It was offered to apply a systematic approach with the participation of population, business and state in order to improve tourism potential of a country. Firstly, it should be based on creation infrastructure in the recreation areas, creation of appropriate economic environment and creation of effective legislation that could be a basis for the preservation of the environment.

It is clear, therefore, that there is a necessity to promote the rich natural resources and to improve the ecological image of Ukraine.

**Conclusion.** The amount of households, that provide a rural hospitality services, has significantly increased during the past 10 years. The largest part of a rural population, which works in this industry, is not a subject of economic activity but is self-employed. This fact makes an accounting and an analysis of their economic activity in this industry more complicated.

According to the data of Statistics Service, in 2016 the total gross product of the commercial enterprises and rural households in the sphere of temporary accommodation and catering provision

for tourists was 15.6 billion UAH, which almost by 2 times exceeded this performance indicator in 2010.

Taking into account the fact that The United Nations World Tourism Organization defines an inclusive tourism as such a form that includes the process of collaboration between different participants of tourism industry, the authors consider that it's necessary to implement the approach of a “solidarity tourism”. It concerns the creation of appropriate conditions for those rural households, that are not fully involved in the sphere of rural hospitality services in order to intensify their activities and to focus their service on those with special needs.

Both participants of this collaboration, rural households and tourists with special needs will get a “double benefit” from it. The aim should be to provide a higher share of the households institutional sector participation as small tour operators in tourist flows. Moreover, in Ukraine, an institutional sector of rural households has already become equal an even exceed the sector of non-profit corporations in terms of temporary accommodation and catering provision, with the shares of 58% and 42% correspondently (2017). Depletion and degradation of natural resources are observed in Ukraine because of the tourist flow increase and the improvement of economic indicators. However, at the certain level of development there is a tendency to connect the increase of income with the necessity of protection of sights and the environment itself. The examples may be found in the luxury health complexes. A significant direct relationship between the amount of recreation spots (such of ecological burden) and the number of waste dumps at the coast of Odessa region was found. It's important for the population to recognize and understand certain unique objects not only as assets for the rural tourism development, but also for the local development, in order to improve the situation in Ukraine. It's also important to make the role of local communities more significant. Such communities should control the use of natural resources in the certain areas, where the ecological burden appears because of the increase in the number of tourists.

It's necessary to regulate the impact of tourism services on the eco-system in terms of legislation, to increase penalties and to tighten control of the activity of private enterprises and households. Besides, an important factor of tourism development is the control of the designated use of government funds, which are directed on the restoration of natural resources, and the inspiration of private enterprises to invest their own funds in the maintaining and improving of the natural potential of the country.

In 2018 Ukraine became one of the countries with a low travel and tourism competitiveness index that was caused by economic and political instability, low level of investments into tourism development and low level of a relevant infrastructure. It was offered to apply a systematic approach with the participation of population, business and state, which firstly should be based on the infrastructure building in the recreation areas, creation of appropriate economic environment and the improving of ecological image in order to improve the tourist potential of the country.

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