

Smart Specialization in Tourism and Recreation: International Challenges, National Guidelines, Regional Features

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Abstract: - The article reveals international challenges, national guidelines, and regional peculiarities of SMART specialization in tourism and recreation. In the course of the research, we offer methodical approaches to justify the SMART specialization of the region in the field of hospitality and recreation as a component of the general model of strategic development of the regional economy and a key factor of competitiveness. The authors determined that an effective tool for the strategic development of the region and the formation of sustainable competitive advantages, which has proven its effectiveness in the practice of regional management in the EU countries, is the definition of the critical SMART specializations of the region and the concentration of efforts on their development—using the proposed methodological approaches. Zakarpattia tourism and recreation spheres were tested for the conditions of adaptation of smart specialization. The calculations showed that the sphere of tourism, recreation, and hospitality as a whole is an essential branch of the economy of the Zakarpattia region and can develop based on SMART specialization. The key areas of tourism and recreation development in the regions that correspond to modern world trends and are the most relevant given the current military events are highlighted: green tourism, health resort, sports, rehabilitation, and inclusive tourism.

Key-Words: - smart specialization, tourism, resort and recreation sphere, rehabilitation and inclusive tourism, methodical approaches

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1 Introduction

A promising tool for ensuring innovative investment development of tourism and recreation in the region is the concept of SMART specialization, which has shown its applied effectiveness in EU countries. According to this concept, several vital industries are selected at the regional level, based on the use of unique regional

resources or experience and possessing a sufficient level of innovation potential, focusing limited financial resources on these competitive areas to create competitive advantages that become the main drivers of economic growth in the region.

"In 2010, the EU declared its vision for the development of regions in particular and the economy in general in the Europe 2020 strategy,

the priorities of which were defined as smart development based on knowledge and innovation; sustainable development, which ensures more efficient use of resources and competitiveness; comprehensive development leading to an increase in the level of employment of the economically active population, social and territorial integrity. A part of this strategy was the (national/regional) research and innovation strategy for smart specialization (RIS 3), which provides for an action plan for economic transformation, coordination of financial and entrepreneurial resources to support selected types of economic activity, and definition of management and monitoring mechanisms. In its essence, it is a strategic approach to developing a policy of maximizing the innovative potential of the region, and identifying and stimulating unique industries or types of economic activity, regardless of the region's economic development. The philosophy of SMART specialization is not so much to stimulate innovation as to activate long-term structural changes in the region's economy and to form a policy enabling the region to occupy its niche in global markets", [1].

Thus, SMART specialization is a new strategic philosophy aimed at the competitive development of territories, which, unlike the traditional approach of "financial equalization" through subsidies and other payments from the state budget to support depressed territories, is focused on the development of unique production and innovation ecosystems, which are based on local resources and knowledge, focusing efforts on supporting their organic development, as a result of which they become drivers of socio-economic development of the region and the primary source of competitive advantages.

The article aims to study the national guidelines and regional features of the development of SMART specialization in tourism and recreation in the context of international challenges.

2 Problem Formulation

2.1 Literature Review

As experts of the Ukrainian Institute of International Policy point out, "the concept of SMART specialization (S3) can be used in all regions, but its application should be treated with caution since the economic and institutional context differs significantly depending on the region. The SMART specialization strategy should consider geographical features to activate regional development. Several provisions should be

considered when applying S3 in a regional context: - the process of entrepreneurial opening will work differently in each region;- when determining the industries/sectors that can reach a critical mass, it is necessary to take into account the "principles of regional integration and contiguity, - interconnection: SMART-specialization should provide a combination between new industries or industries in the process of development with process participants outside the region, but this practice does not always lead to good results. The connection between regions is only profitable when ideas are absorbed and applied to the benefit of local enterprises - integration of policies at the local level to increase the region's attractiveness; the strategy should consider social, cultural, and legislative aspects in addition to purely economic considerations. Thus, a successful strategy should include five policies formed taking into account the demand factor, for example, public-private partnership (PPP)", [2].

We agree with scientists Tulchynska and Shashina, [3], that SMART specialization occupies an important place in managing the strategic development of Ukraine's regional socio-economic and economic systems during the ongoing decentralization reform and changes in the administrative and territorial structure. The existing legislative and regulatory framework, taking into account international experience and technical assistance, contains structured, methodical approaches to assessing the state of implementing measures to implement SMART specialization of economic complexes at the regional level".

At the same time, today, there is no single approach to selecting the SMART specialization of industries, but only guidelines that allow determining their prospects from the point of view of the so-called innovative core of regional economic development. One of the global challenges to world tourism development was the coronavirus pandemic infection, which is why many authors determined the prospects for development in the relevant conditions, [4], [5].

At the national level, the Russian war became an obstacle to developing tourism and recreation in Ukraine, [6]. Today, many scientists consider the functioning of tourism and recreation in war and post-war recovery, [7].

Accordingly, under such conditions, research is needed into the digitalization of tourism and recreation, [8], [9].

2.2 Materials and Methods

By the amendments made to the “Procedure for evaluating regional development projects that can be implemented at the expense of state budget funds received from the European Union”, the following evaluation indicators of such projects or industries are defined, which, among other things, can be used as criteria when justifying SMART specialization: - “the number of supported cluster initiatives based on the principles of smart specialization; - the number of supported economic entities that introduce innovations in the most promising branches of the regional economy; - the number of innovative projects aimed at the development of the regional and local economy; - the number of industrial enterprises carrying out scientific and scientific and technical developments, about the total number of enterprises; - the number of industrial enterprises using scientific and scientific and technical developments about the total number of enterprises”, [10]. The critical criteria in assessing industries are their innovative activity, the ability to develop and implement innovations, and the creation of innovative clusters and other structures. Scientists Ishchuk S. O. Ishchuk and Sozansky L. Y. distinguish the following criteria for SMART specialization: innovativeness of certain types of economic activity, efficiency (which is reflected by the indicator of the profitability of operational activity), level of payment and labor productivity, [11]. Part of the scientific community suggests using specialization coefficients to assess industries from the perspective of SMART specialization. “Specific indicators determine the specialization of the state’s regions, although significant criterion differences exist in the literature. The following calculation indicators have become the most widespread. In this way, the researched approaches and methods of choosing regional industries to implement SMART-specialization projects are based on calculating regional specialization coefficients and innovative development of industries. The main reason the tourism sphere is not considered a priority from the standpoint of SMART specialization is the difficulty in assessing its innovative potential. Different from the industrial sector, innovations in the field of tourism and recreation are not statistically recorded. The innovative activity of enterprises in tourism and hospitality is measured mainly by quality indicators based on consumer surveys. Therefore, approaches to studying and actualizing SMART specialization of tourism in the region or selected regions are necessary, considering the specifics of this

particular business. Considering the available methodical approaches and the specifics of the service sector, a methodical approach is proposed to assess the relevance of SMART specialization in tourism and recreation or its sectors. The proposed approach involves the calculation of the following indicators: 1) The specialization coefficient is the ratio of the specific weight of the region’s industry in the volume of output of the country’s industry to the specific weight of the region’s economy in the country’s economy. The value of this indicator above 1 indicates the industry’s importance for the region’s economy. The coefficient of specialization is calculated according to the formula:

$$K_{sp} = \left(\frac{Q_i/Q_r}{SQ_i/SQ} \times 100 \right) / \left(\frac{GRP}{GDP} \times 100 \right) \quad (1)$$

Where, Q_i – the volume of production of products (services) of the i -th industry in the region;
 Q_r – Gross volumes of production (services) in the region;
 SQ_i – Production volumes of the industry in the country;
 SQ – gross volumes of production (services) in the country;
 GRP – gross regional product;
 GDP – gross domestic product.

2) The coefficient of social efficiency is a comparative indicator reflecting the ratio of the specific weight of employees in the industry in the region to the specific weight of employees in the industry at the country level. A value above 1 indicates that this industry is socially significant for the region. The coefficient of social efficiency is calculated according to the formula:

$$K_S = \frac{P_i/P_r}{SP_i/SP} \quad (2)$$

Where
 P_i is the number of employed workers in the industry (including self-employed) in the region;
 P_r – is the total number of employed persons (including the self-employed) in the region;
 SP_i – number of employed workers in the industry (including self-employed) in the country;
 SP – the total number of employed persons (including the self-employed) in the country.

3) Coefficient of budgetary efficiency – determines the importance of taxes withheld from industry enterprises for local and regional budgets.

$$K_B = \frac{T_i/T_r}{ST_i/ST} \quad (3)$$

Where,

T_i – Volumes of a tourist tax in the region;
 T_r – The total amount of tax revenues of the region;
 ST_i – Volumes of a tourist tax in the country;
 ST is the total amount of tax revenues of the consolidated budget

4) The coefficient of economic efficiency – determines the comparative profitability of the industry in the region, which indirectly indicates the conditions for the development of this business in the region and its investment attractiveness:

$$K_E = \frac{R_i/R_r}{SR_i/SR} \quad (4)$$

Where R_i is the profitability of the operational activity of the enterprises of the industry in the region;

R_r – average operating profitability of the service sector in the region;

SR_i – profitability of the operational activity of the enterprises of the industry in the country;

SR is the average operating profitability of the service sector in the country.

According to the proposed methodological approach, the tourism industry can be the object of development of SMART projects – specialization in the region, if the results of the calculations satisfy the condition:

$$\sum_{i=1}^n 0.8 n \leq K_n \leq n \quad (5)$$

Where n is the number of calculated coefficients, therefore, the proposed methodical approach to determining the relevance of SMART specialization of tourism and hospitality in the region is universal and can be applied to any economic sector, as well as to calculate the specialization of sectors at the level of territorial communities.

Furthermore, the offered coefficients make it possible to test the industry's economic, budgetary, and social significance level for the region and the conditions for its development. Today, SMART specialization is an essential tool for strategic regional development planning. Therefore, every socio-economic development strategy contains as a mandatory element the region's critical industries selected according to this principle. Based on the analysis of the regional development strategies of the Carpathian economic region, tourism, and recreation in one form or another were reflected in

the strategic regional priorities based on SMART specialization, except for the Zakarpattia region.

3 Problem Solution

The Zakarpattia region is Ukraine's strategically important cultural, political, and economic region. Having a unique border location and the neighborhood of four countries of the European Union, the region can become the most prominent tourist, recreation, and resort region of Western Ukraine. The natural and resource potential, historical and cultural heritage, and extensive achievements in tourism and recreation contribute to determining the priority of the tourism industry, health, sanatorium treatment, and recreation of Ukrainian and foreign tourists in the territory of Zakarpattia. The health, recreational, and tourist facilities network in Zakarpattia Oblast includes 511 facilities, 23 health facilities, 126 recreational facilities, and 362 tourist facilities. About 26,000 people, almost 600 rural estates ready to provide tourist services, and 25 tourist information centers can be accommodated in the region simultaneously", [12].

Zakarpattia currently has significant potential for the development of internal and external tourism. Also, it plays a significant role in ensuring the socio-economic development of the region, especially territorial communities in mountain settlements. The allocation of tourism and recreation as one of the branches of SMART specialization of the region and the activation of works in this direction contributed to the innovative development of tourism technologies and products, the development of innovative services, and the productive use of the rich natural and cultural potential of the Carpathians. At the same time, according to most researchers, the available potential has yet to be fully used. To determine the relevance of tourism and recreation as one of the SMART specializations of Zakarpattia, it is worth investigating its economic, social, and budget-forming potential, as well as compliance with the primary conditions proposed for such industries in the EU:

- Possession of critical resources, skills, and a positive image in the field of tourism and recreation;
- Potential ability to diversify tourism products and technologies and establish close inter-industry relations in the region;
- An essential role in the region's economy and individual united territorial communities, a source of budget revenues;

- The possibility of activating the multiplier effect in achieving the Sustainable Development Goals. Zakarpattia has a wide variety of tourist and recreational resources: forest, mineral, landscape, water, and hydrological objects of the Carpathian historical-cultural and natural reserve fund. "The largest share among the components of the recreational potential of Zakarpattia (39%) belongs to water resources. However, the unique sources of mineral waters are of particular value, which could become, with a better and coordinated organization of the resort business, a source of enrichment of the region and improvement of the population. To date, 360 sources of mineral water have been explored. Zakarpattia is home to many well-known types of water, some of which are rare and unique in their effects on the human body. These are waters without specific components, carbon dioxide, for relevant services.

sulfide, siliceous thermal, iodobromine, iron, and arsenic. Balneological resorts of the region, known outside of Ukraine, are concentrated based on large deposits of mineral waters", [13].

The localization of natural resources, as well as the basis for the development of the field of sanatorium-resort treatment, is an essential factor in the industry specialization of tourism and recreation in Zakarpattia. According to the Main Department of Statistics data in Zakarpattia Oblast, in 2018, 41 sanatorium-type facilities operated in the Oblast. The decrease in the number of such institutions compared to the 2000s is due to reorganization, privatization, and repurposing of individual institutions in the context of adaptation to market conditions, as well as bankruptcy due to a decrease in the volume of government orders.

Table 1. Sanatorium-resort and health facilities of Zakarpattia

period	Sanatoriums and boarding houses with treatment		Sanatoriums-prophylaxis		Rest houses and boarding houses		Bases and other recreation facilities	
	everything	they have beds, thousand	everything	they have beds, thousand	everything	they have beds, thousand	everything	they have beds, thousand
2010	19	3,9	7	0,4	1	0,1	29	1,8
2011	20	4,2	7	0,4	1	0,1	27	1,6
2012	22	4,6	4	0,3	5	0,1	26	1,7
2013	22	5,1	4	0,3	4	0,3	26	1,6
2014	22	5,3	4	0,3	5	0,3	27	1,9
2015	21	5,3	2	0,2	4	0,2	28	1,8
2016	19	4,0	–	–	4	0,2	22	1,0
2017	19	3,9	–	–	4	0,2	19	1,0
2018	20	4,8					21	1,9

Source: [14]

These tables (Table 1 and Table 2) indicate a significant potential for developing sanatorium-resort treatment, provided that the state approach to reforming the industry is adopted. An important area of tourism in Zakarpattia is the opportunity to provide the necessary services for the health and recreation of children in the summer (Table 2).

Table 2. Children's health and recreation facilities that worked in the summer in Zakarpattia Oblast

period	Number of establishments, units		They have places, units		The number of children who were in institutions, persons	
	everything	in particular, health facilities	everything	in particular, health facilities	everything	in particular, health facilities
2011	569	15	5594	1478	79403	3693
2012	575	12	3855	1080	81164	3434
2013	611	27	5368	3007	95933	6451
2014	321	18	4926	2458	45576	7849
2015	333	15	4264	1581	45175	3136
2016	135	10	3158	1208	22239	2695
2017	175	10	2731	1205	27929	3329
2018	145	12	2982	1482	25811	4842
2019	196	10	2769	1109	26908	3218

Source: [14]

Because there is currently a war in Ukraine, which will have terrible consequences, including for the population's health, rehabilitation, and inclusive tourism should become an important direction for developing tourism and recreation in the region. After the victory, many people who received physical and moral injuries will need treatment and rehabilitation. The availability of basic facilities for sanatorium-resort treatment and the healing nature of the Carpathians create prerequisites for the development of rehabilitation and inclusive tourism. As [15], notes, "Prospects for the development of inclusive tourism in Ukraine are focused on the effective organization of inclusive tourism, which is a component of the inclusive growth of the tourism economy of all administrative units and the development of society as a whole, it is a multifactorial and multilevel process, the basis of which is the economy maximum employment and interaction of all subjects. Moreover, the application of the experience of the synergy of progressive European models of unity, regional development, and innovation with the social model of the EU in the direction of the development of inclusive tourism in Ukraine is aimed at achieving the main final result - expanding rights and opportunities, protecting and ensuring the safety of citizens and regions, ensuring sustainable development".

According to the requirements adopted by ETAN, inclusive tourism should include the following:

"barrier-free destinations: infrastructure and buildings;

transport: air, land, and sea, suitable for all users;

the high quality of services: achieved by trained personnel;

entertainment, exhibitions, attractions: allows everyone to participate in events;
marketing, reservation systems, websites, and services: information is available to everyone", [16].

The organization of inclusive tourism requires the creation and adaptation of tourist infrastructure, the organization of the provision of appropriate tourist services, and the training of specialists who can work with this category of citizens. That is, the formation of the inclusive tourism industry requires significant investments.

In this regard, we consider it an urgent task to create a "Program for the Development of Inclusive Tourism in Zakarpattia" at the regional level, which will create the foundations for attracting state funds for the development of the corresponding infrastructure, the creation of public-private partnership projects, and international cooperation. The priority of the development of inclusion in the EU will allow for attracting additional financial resources for implementing this direction of tourism, grant funds within the framework of European programs, etc. Given the potential volume of demand, this direction is also promising from an economic point of view; it opens up opportunities for state financing of travel for specific categories of citizens. The critical tool for implementing the strategy of SMART specialization at the territorial and regional level clusters, which should function based on unification and exchange of experience, rational and joint use of resources, the attraction of alternative sources of financing, training of personnel, which contributes to the development and success of the business, increases its productivity and profitability and creates new jobs

for the population of the community. In a cluster environment, conditions are created to stimulate innovation and the spread of start-ups that expand and develop existing strengths in the region and support their development to help them become world leaders by specializing and collaborating with other stakeholders. Zakarpattia is currently one of the most promising regions from the point of view of creating tourist clusters. In particular, investors plan to build about seven ski resorts within the tourist cluster in Borzhavsky Polony. In this cluster in the Carpathians, the first gondola lift in Ukraine will be created - tourists will be taken to the mountains by a 4 km long lift.

The implementation of the project is planned for the spring of 2023 and will contribute to the social and economic development of the territories. In addition, creating a powerful tourist cluster in Zakarpattia will create a synergistic effect for the green development of other sectors of the region's economy: transport infrastructure, entertainment, and the development of green tourism and services. The design and construction of modern resorts are based on innovative technologies that ensure resource savings, circular use of water, alternative energy, etc.

Creating a tourist cluster in Zakarpattia will also contribute to developing communication infrastructure. In particular, a modern, powerful ski resort requires increasing digitization and digitization. During the construction of the resort, it is planned to install base stations for mobile communication and the Internet. Thus, the tourism industry is one of the drivers of innovative changes and also creates opportunities for inter-industry cooperation and the development of a multiplicative inter-industry effect, particularly in rural and mountainous areas.

Today, in Zakarpattia, "the field of green tourism, including rural, ecotourism and agrarian tourism, as well as the provision of the traditional, authentic tourist products and services, is being motivated to expand, as almost every settlement, especially in rural areas, has its traditional festivals: red and white wines, the festival of butchers, "Berlibash banish", festival of cabbage rolls, regional folklore festival "Trembite are calling to Synevyr", "Dobron paprika", holiday "Lead the flock to the pasture", "Hutsul cheese", "Making lekvar", wine festival " Zakarpattia Beaujolais" and several other holiday festivals", [17].

The development of green tourism is most widespread in the Ivano-Frankivsk region, where 306 eco-homesteads are officially registered as of 2020. In Zakarpattia, only eight individual

entrepreneurs are registered as a subject of "green tourism". The problem of this industry for the region is that most business entities operate within the shadow economy framework, do not pay taxes to local budgets, and do not appear in official statistics. The development of this industry requires the improvement of state mechanisms for supporting small businesses and incentives for entrepreneurs for their official registration.

The Zakarpattia region has all the conditions for the development of sports, in particular, extreme tourism, which has recently been gaining more and more popularity. This type of tourism is ecologically oriented and will contribute to sustainable development, as natural landscapes, rivers, and other natural objects are used to provide services. In the Zakarpattia region, extreme recreation events are held yearly, including various competitions. Festivals for the use of extreme competitions take place on the territory of the cities of Mukachevo, Uzhgorod, the area of the "Karpaty" and "Synyak" sanatoriums, on the territory of the Mukachevo and Nevytskyi castles, as well as on the Tisza River, on Mount Stoy and Hoverla. In Zakarpattia Oblast, the most developed types of extreme tourism are: - "alpinism (climbing) and mountain hiking tourism; - speleology; - skiing, including snowboarding; - rafting (rafting on mountain rivers); - paragliding and hang-gliding", [18].

Therefore, the development of sports tourism can become one of the directions of diversification of the tourist product of the region, which is based on natural competitive advantages and will contribute to the growth of internal and external tourist flows. In 2019, Zakarpattia "took 17th place in terms of the number of tourist vouchers sold and 12th in income from the provision of tourist services. Trips of tourists-citizens of Ukraine within the state covered about 6,258 people. The most popular purpose of tourist and excursion trips remains leisure and recreation. In 2019, 25,165 people traveled. As for Ukraine, most domestic tourists went to Turkey, Egypt, the UAE, Greece, Bulgaria, Spain, Italy, Cyprus, Montenegro, Hungary, and the Czech Republic on tourist permits", [19].

Tourism also plays a vital role in ensuring the socio-economic development of the region, in particular of individual territorial communities. In 2019, hospitality enterprises in Zakarpattia provided services worth UAH 246,100 thousand, which is 8% higher than the previous year. However, the pandemic had its impact, and in 2020 the number of services provided was reduced by an

average of 25%. At the same time, the industry has shown positive growth trends in recent years. The downside is that corporate profits are growing faster than investments. In particular, during the analyzed period, the profit received in the industry increased by 93%, and the volume of investments decreased by 46%. Despite the multidirectional trends, the indexes generally show positive growth in most periods. At the same time, the industry is unstable and depends on the general economic situation in the country. We agree with the opinion of scientists that "Important factors of competitiveness and stable economic growth of enterprises in the field of hospitality in Zakarpattia are the development of related types of economic activity (logistics, transportation, medical care, banking sector, trade) and the development of transport infrastructure", [21].

The tourist tax is a significant part of the budget revenues of territorial communities of the region. In particular, according to the data of the DPS in Zakarpattia in 2021, 11.7 million UAH of tourist tax was collected in Zakarpattia, which is 83% more than in 2020, and 37% more than the "pre-pandemic" indicator of 2019. "During eight months of 2022, almost 13 million 449 thousand UAH of tourist tax was paid to the local budget of the Zakarpattia region. Compared to last year's period, receipts increased by 94.5%", [22].

In 2021, Zakarpattia became one of the five leaders in terms of tourist tax among the regions of Ukraine after the city of Kyiv (68 million hryvnias), the Odesa region (26.8 million hryvnias), and the Lviv region (23 million hryvnias).

Thus, the tourism and recreation industry of Zakarpattia meets the following critical criteria for selecting the priorities of CMART specialization:

- 1) Zakarpattia has critical resources, skills, and a positive image in the field of tourism and recreation;
- 2) Potential ability to diversify tourist products and technologies, establish close cross-industry relations with the sphere of trade, hospitality, and entertainment industry, agriculture, and forestry of the region;
- 3) An essential role in the structure of the economy of the region and individual united territorial communities, a source of budget revenues;
- 4) The possibility of activating the multiplier effect in achieving Sustainable Development Goals.

Table 3. Input data for testing the relevance of including the tourism and recreation industry in SMART specialization projects of Zakarpattia for 2021

Indicators	Industry indicators in the region (i)	Indicators of the region (r)	Industry indicators in the country (Si)	Indicators as a whole for the country (S)
Volumes of services provided, thousand UAH.	107945,3	2880477,2	10605630,3	340471143
Tourist tax, million/ tax revenue	11,8	655,70	244	14538,1
The number of employed persons	5642	115858	301310	9056059
Operating profitability, %	3,3	2,3	16,1	14,9

Source: [20], [23], [24]

Based on the proposed methodical approaches, the field of tourism and recreation in Zakarpattia was tested. Given the form of statistical reporting, where there are no indicators of tourist enterprises' economic and social development, KVED I "Temporary accommodation and catering organization" and KVED R "Art, sports, entertainment, and recreation" were chosen as the object for calculations. These areas are the basis of the tourist and recreational complex of the region and directly form the basis for the development of "incoming" tourist flows. The coefficients of SMART specialization in hospitality in Zakarpattia were calculated by substituting the table data (see Table 3) into formulas (1.-4.). The obtained indicators are shown in Fig. 1.

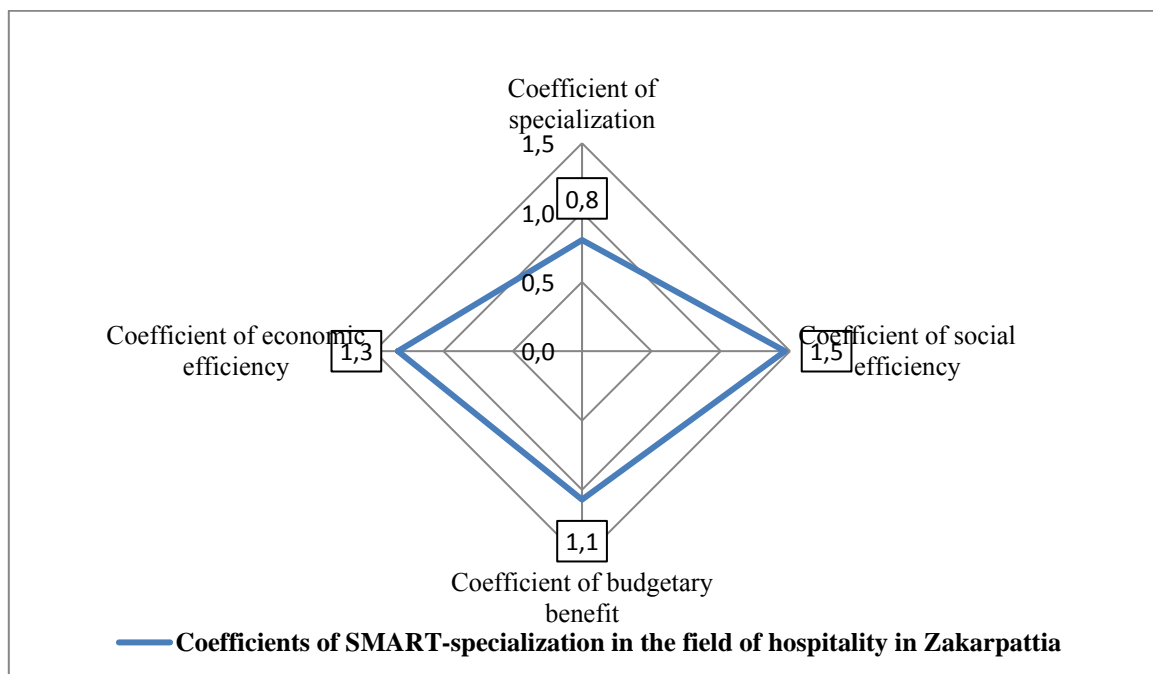


Fig. 1: Coefficients of SMART specialization in the field of tourism, hospitality, and recreation in Zakarpattia
 Source: calculated by the authors

The calculations showed that the sphere of tourism, recreation, and hospitality is an essential branch of the region's economic development. All calculated coefficients (except for the specialization coefficient, which is also within acceptable limits) are above 1, which indicates the presence of industry advantages at the regional level. The highest is the coefficient of social efficiency, which emphasizes the importance of this sphere in creating jobs and forming the income of the region's population. Therefore, implementing the SMART model of specialization of tourism and recreation in Zakarpattia Oblast requires an in-depth study of the future direction of tourism activity and the formation of appropriate strategic

models of territorial development coordinated with other branches of the region's economy. The main barriers to implementing SMART specialization in the region's tourism and recreation field are primarily the low investment and innovation support level. Investment processes in tourism are carried out chaotically and unsystematically and depend primarily on the own vision of individual investors. As a result, the volumes of investment investments are insignificant and, despite the increase in profitability, are decreasing in dynamics. Moreover, at the regional level, investment and innovation projects are supported only by declarative statements.

Therefore, the main task of developing the tourism and recreation industry based on SMART specialization is:

- selection of the most priority tourist destinations around which the strategy will focus (for example, inclusive, rural, health-rehabilitation, sports tourism);
- the formation of an investment-attractive environment, which involves, first of all, mechanisms of regional guarantee of investment investments, simplified procedures for the allocation of land plots for the construction of tourist facilities (especially those that have significant social and ecological significance), the implementation of public-private partnership mechanisms;
- holding organizational events that will contribute to the integration of business, regional authorities, territorial communities, and scientific circles around the formation of the strategy and its implementation;
- activation of cooperation within the framework of cross-border cooperation and search for opportunities for technology transfer;
- development of mechanisms and criteria for state investment and regional orders, which will stimulate the inflow of private and foreign investments;
- stimulation of innovative activity in the industry, development, and implementation of startup projects, etc.;
- development of clear and transparent mechanisms and criteria for monitoring, control, and regulation of project development, in particular in the areas of compliance with human security conditions (safety of life and health, security of personal data, criminogenic, financial security, etc.), the efficiency of use of natural resources, budgetary funds, cultural and other assets of society and communities.

The role of digitization today is considered the primary task of recovery for Ukraine in the conditions of war and significant hostilities in most of the territory, [25], [27], [29]. Furthermore, the impact of globalization and inclusive economic development on countries with a developed market economy, and the possibility of using their experience for Ukraine, plays a significant role in forming a strategy for developing the resort and recreation sphere, [26], [28], [30].

4 Conclusion

Methodical approaches for substantiating SMART specialization of the region in hospitality and

recreation as a component of the general model of strategic development of the regional economy and a key factor of competitiveness are proposed. It is emphasized that an effective tool for the strategic development of the region and the formation of sustainable competitive advantages, which has proven its effectiveness in the practice of regional management in the EU countries, is the definition of the vital SMART specializations of the region and the concentration of efforts on their development. Therefore, to adapt the methodological approaches used at the stage of identifying and substantiating the priority areas of SMART specialization to the specifics of the service sector and the tourism and recreation industry, in particular, methodological approaches are proposed that involve the calculation of several coefficients (the coefficient of specialization, the coefficient of social efficiency, the coefficients of budgetary and economic efficiency).

The proposed coefficients allow testing the level of the industry's economic, budgetary, and social significance for the region and the conditions for its competitive development. In the research process, it was established that despite significant tourism and recreation potential, experience, and achieved competitive positions, the tourism and recreation industry needs to be included in the SMART priorities of the Zakarpattia region.

The Zakarpattia tourism and recreation field was tested using the proposed methodical approaches. The calculations showed that the sphere of tourism, recreation, and hospitality as a whole is an essential branch of the economy of the Zakarpattia region and can develop based on SMART specialization. All calculated coefficients (except for the specialization coefficient, which is also within acceptable limits) are above 1, which indicates the presence of industry advantages at the regional level. Furthermore, the region's critical tourism and recreation development directions are highlighted, which correspond to modern world trends. Given current military events, they are the most relevant: green tourism, health resort, sports, rehabilitation, and inclusive tourism.

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