

The Tourism Industry as a Tool for Local Economic Development of the Territorial Communities of the Carpathian Region of Ukraine

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Abstract. Tourism, as an important part of social progress, not only contributes to economic growth but also has the potential to catalyze changes in socio-cultural and ecological dimensions. The relevance of the topic of tourism as a tool for the local economic development of territorial communities of the Carpathian region of Ukraine is due to the following: tourism is a factor in economic growth, which contributes to the creation of new jobs, attracting investments and increasing the level of well-being of the population. Tourism affects the preservation and dissemination of cultural heritage, stimulates interest in preserving natural resources and ecosystems, and promotes understanding, tolerance, and environmental awareness. In challenging conditions such as martial law or other difficult situations, tourism can be a source of profit and a tool for the reconstruction and development of regions in need of support. The purpose of the article is to identify the trend of tourism development in the Carpathian region, its role and significance for local economic development, and on this basis to justify the advantages of their synergistic relationship. The research uses a set of scientific research methods of a general nature (analysis and synthesis, induction and deduction, abstraction, formalization) and a special one (content analysis, comparison, graphic), which made it possible to reveal meaningful interpretations of regularities regarding the understanding of the concepts of «local economic development» and «creative tourism» as well as characterize the synergistic relationship between them. It was established that the Carpathian region has significant tourism potential, and the dynamics of tax revenues from the tourism industry in the Lviv, Ivano-Frankivsk, Zakarpattia, and Chernivtsi regions show a positive result. The Ukrainian and world scientists' works were analyzed regarding the impact of tourism on the local economic development of territorial communities, as a result of which attention was focused on several advantages in the economy, socio-cultural sphere, and ecology.

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1 Introduction

Among modern economic systems, tourism is developing most intensively. Its growth rate is almost twice as high as the growth rate of other sectors of the world economy. Tourism as an economic sector actively contributes to overcoming disproportions in the socio-economic development of individual regions, financial and socio-demographic depression, revives traditional economic activities of the local population, integrates the domestic economy into the world economic system, etc. It is also worth noting that international tourism is the main export of services and one of the main sources of foreign exchange for a number of developing countries. It acts as a stabilizing lever in the formation of their budgets and credit and financial relations with other states [1]. The tourism and recreational sector is one of the trending areas of socio-economic development of rural areas due to the increased motivation of rural united territorial communities to develop social infrastructure and create jobs. The search for ways to improve the socio-economic development of territorial communities stimulates their multifunctional development (diversification of the rural economy). And leads to the use of new non-traditional forms of entrepreneurial activity. In addition, it opens up new potential opportunities, in particular, it contributes to the creation of jobs and local budgets, increases incomes of the population, promotes the efficient use of resources, develops social infrastructure, generates alternative forms of employment and entrepreneurship, and enhances the prestige of rural areas [2].

The COVID-19 pandemic has had a significant impact on the tourism industry, but at the same time, it has contributed to the transformation and rethinking of this sector. The global community has united to create a new narrative (sustainable development, climate change mitigation, increasing tourism competitiveness and innovation in tourism), fully realizing the enormous and unrivaled potential of the tourism sector to provide positive changes and opportunities for people around the world.

As society develops, the tourism sector, like many other industries, must transform itself to become a catalyst for prosperity on a universal scale. According to researchers [3], the new development paradigm reflects the relationship between the economy and culture and includes economic, cultural, technological and social aspects at both macro and micro levels. The role of creativity, knowledge and access to information as powerful catalysts for economic growth and development in a globalized world is also emphasized. The paradigm shift in thinking about the development of the industry in the next decade sets new goals and objectives for ensuring the inclusiveness of tourism. Moreover, the development of rural green tourism in territorial communities stimulates the improvement of rural estates, streets and villages in general, stimulates the development of social infrastructure [4]. The tourism potential of Ukraine is very diverse and attractive, and the tourist destinations of each region are unique and inimitable (among which there are objects of natural and recreational, historical and cultural and socio-economic purposes, etc.). It should be noted that the Ukrainian part of the Carpathian mountain system occupies 12.5% of their total area, and accordingly, parts of the territories of 4 administrative regions - Lviv, Ivano-Frankivsk, Chernivtsi and Zakarpattia, which in terms of area, population and potential can be compared with the Alps [5]. Thus, the basis for assigning the tourism and recreational sphere the role of one of the most significant drivers of economic development of the Carpathian region is the existing significant natural and historical-cultural recreational potential, regional feature (most of the territory is mountainous). This, in turn, requires orientation towards economic activity compatible with the specifics of natural and ecological conditions of the mountains (tourism and recreation, related services, etc.), and the development of its infrastructure. The purpose of the study, the results of which are presented in this article, is to substantiate the role and specificity of tourism in the local economic development of territorial communities. The role of tourism is illustrated by the example of the Carpathian region of Ukraine.

1.1 Literature review

The emergence of new patterns and changes in the levels of responsibility for local development are the results of the globalization of the world economy, which has led to an increasing role of territorial communities in the socio-economic development of regional territories and the country [6]. The processes of decentralization that began in Ukraine in 2014 and continue until now have contributed to the transformation of territorial communities from an object to a subject of management. Furthermore, thanks to these changes, territorial communities can not only ensure their capacity and build an individual development vector but also solve problems of various nature (socio-economic, investment, environmental, etc.) using effective mechanisms and tools.

Local economic development is the result of the impact of globalization processes, as the competitiveness of a country to some extent depends on the level of competitiveness and capacity of its territorial communities, oblasts, and regions as a whole. It should be noted that the concept of "local economic development" is interpreted as «...a participatory process involving the stakeholders of the community and aimed at sustainable economic growth at the local level and improving the quality of life of residents» [7]. Isaksen [8] interprets this concept as «...process of mobilization of locally specific resources or internal factors to improve the well-being of communities». According to Vázquez-Barquero and Rodríguez-Cohard [9], this process «...refers to the capital accumulation process of specific territories, and on the functioning of the forces that condition this accumulation, such as entrepreneurial development, the formation of firm networks, diffusion of innovation and knowledge, and the change and adaptation of institutions».

The model of local economic development in developed economies is based on the interconnection and interaction of knowledge capital and intelligence, and the main goals are the preservation and further expansion of local enterprises, creating favourable conditions for attracting investments, developing innovations, personnel potential and human capital, formation of cashflows in the community, etc.

As for the tourism industry, a group of authors [10] consider tourism «...as a driver of economic and social development in underdeveloped regions», and such authors as [11] determine that «Tourism and agriculture are important contributors to the development of local economies». For example, 20 out of the world's 48 least developed countries (LDCs) rely on tourism and agriculture as the basis for the livelihoods of most of their inhabitants [19]. Connecting small-scale farmers producing fresh fruit, vegetables, flowers, and ornamental plants to the tourism industry can increase the income of growers, intermediaries, processors, and hotel operators. According to Torres and Momsen [12], creating connections between tourism and agriculture, through production for tourism markets not only requires but also facilitates the opportunity for new forms of marketing place and consumption that promote the demand for high-quality, sustainable, and responsible tourism and food products.

The main instruments of local economic development, from the point of view of tourism, are tourist information centres, festivals, community maps (other promotional materials) with advertising of local businesses, marking and signage of tourist routes and the territory of the community, improvement of tourism infrastructure (roads, parking lots, campgrounds, etc.).

As mentioned earlier, Ukraine has significant potential for tourism resources, but there are also several specific problems and issues. For example, «...low interest of foreign tourists in travelling to Ukraine or an average level of development of tourism infrastructure. Under such conditions, the competitiveness of Ukrainian tourist destinations as objects of the global tourism services market is doubtful, and the main types of tourism will remain outbound and domestic. In this case, foreign trade in the main tourist services will have an import-dependent vector» [13]. According to the authors [13], the development of the tourism industry should correlate both with the development of socio-cultural services at the European level and with the strengthening of the internal creativity of the main entities that create and provide tourist services. A similar opinion is held by J. Lia & H. Lieb [14], who believe that «...modern tourists are no longer satisfied with

ordinary tourism, as they are increasingly trying to get involved in the local cultural and creative heritage, as well as local activities and the way of life of the local population. Therefore, shortly, tourism will change from mass to creative».

In turn, according to A. Ardhala et al. [15], the benefits of the interaction between culture and tourism are as follows: the application of additional innovations that will contribute to the development of new products in all areas, the creation of additional jobs, and an increase in the level of employment in those areas that do not have significant tourism resources. A group of authors consider cultural tourism as a driving force for rural development to transform productive rural zones focused on intensive agricultural production into non-productive rural areas focused on sustainable territorial consumption, as well as a source of additional activity that brings both economic and non-economic benefits [16].

2 Materials and methods

The theoretical basis of the research was the scientific works of Ukrainian and foreign scientists on the impact of the tourism industry on the local economic development of the territorial communities of the Carpathian region of Ukraine.

In the context of the stated goal, the following methods of scientific research were used: methods of a general and special nature. In particular, among the general logical methods, the following were identified: analysis and synthesis (to study the essence of the concept of "local economic development"); induction and deduction (the study of the interaction and synergistic connection between tourism and local economic development); abstraction (to highlight the essential features of the object under study); formalization (to reflect knowledge about objects in sign-symbolic form). Accordingly, the group of special research methods included: the method of content analysis (study and processing of scientific works to further meaningful interpretation of the identified patterns regarding the understanding of the concept of «local economic development»); comparison, and graphic (study of the dynamics of changes in indicators of economic assessment of the tourism industry as a whole, and regions);

During the study, some approaches of general scientific research were applied: historical and terminological (research of the essence of the concept of «local economic development», the study of the impact of tourism development on local economic development); systemic (substantiation of the need for the development of creative tourism as a factor in the development of the regional tourism market).

The study was based on open data, analytical and statistical reports on tourism; research results of scientists; State Agency for Tourism Development of Ukraine.

The economic assessment of tourism in Ukraine is carried out based on statistical data on the following indicators: tax revenues from the tourism industry, the number of taxpayers in the tourism industry, and the structure of tax revenues paid by the subjects of the hospitality industry (State Agency for Tourism Development of Ukraine).

3 Results and discussion

Regarding the current state and development trends of the tourism industry in Ukraine, according to the analytical data of the State Agency for Tourism Development of Ukraine [17], tax revenues from the tourism industry in 2023 have reached the pre-war level.

An analysis of the dynamics of tax revenues from the tourism industry in the regions of Ukraine (Fig. 1) for the study period (2021-2023) indicates significant changes, in particular, for the defined regions, there is a clear trend toward an increase or decrease in tax revenues and their fluctuations. Thus, we note positive results in the following regions: Zakarpattia,

Kyiv, Lviv, Khmilnytskyi, Chernivtsi (a clear trend towards an increase in tax revenues), which is associated with the reorientation of domestic tourists to safer recreation areas.

The next group showing negative results includes such regions as Donetsk, Zaporizhzhya, Luhansk, Kharkiv, Kherson, and Chernihiv, these are precisely the territories that are on the line of combat clashes and under the occupation of russia. The tourism industry in the Kharkiv region suffered significant losses by almost half (in 2021, the amount of tax revenues amounted to 104.8 million hryvnias against 49.6 million hryvnias in 2023), but at the same time, in 2023, compared to 2022, there was some improvement – by 27.5% (or 10.7 million hryvnias). In addition, we note that the tourism industry in the Mykolaiv and Odesa regions also suffered as a result of russia's military aggression against Ukraine (for example, in 2022 compared to 2021, the reduction was 52.7% and 53.1%, respectively), but at the same time, we note a slight increase in 2023 compared to 2022 – respectively Mykolaiv Oblast (7.4 million hryvnias or 51,7%) and Odesa region (11.2 million hryvnias or 12.7%), which indicates an increase in interest in green and active tourism in these regions, since unfortunately, the Black Sea coast is not available for summer recreation.

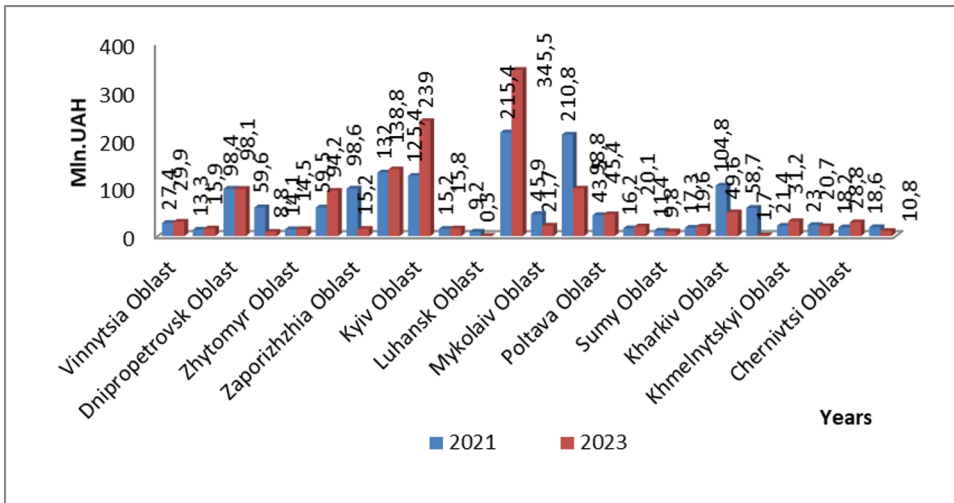


Fig. 1. Dynamics of tax revenues from the tourism industry by regions of Ukraine in 2021 and 2023, million hryvnias [18].

The third group consists of regions in which the amount of tax revenues during 2021-2023 increases in general and shows positive results, but fluctuates over the years, in particular: Vinnytsia, Volhynia, Dnipropetrovsk, Zhytomyr, Ivano-Frankivsk, Kirovohrad, Poltava, Rivne, Sumy, Ternopilsk.

As noted by the State Agency for Tourism Development [18], in 2023, tax revenues from the tourism industry of Ukraine reached the pre-war level and increased by 32% (compared to 2022).

As for taxpayers in this area (Fig. 2), their number decreased by 9% in 2023 compared to 2022, in particular: legal entities decreased by 22%, and individuals – by 5%. Compared to 2021, this indicator decreased by 25%, correspondingly, the number of legal entities decreased by 33%, and individuals – by 22%.

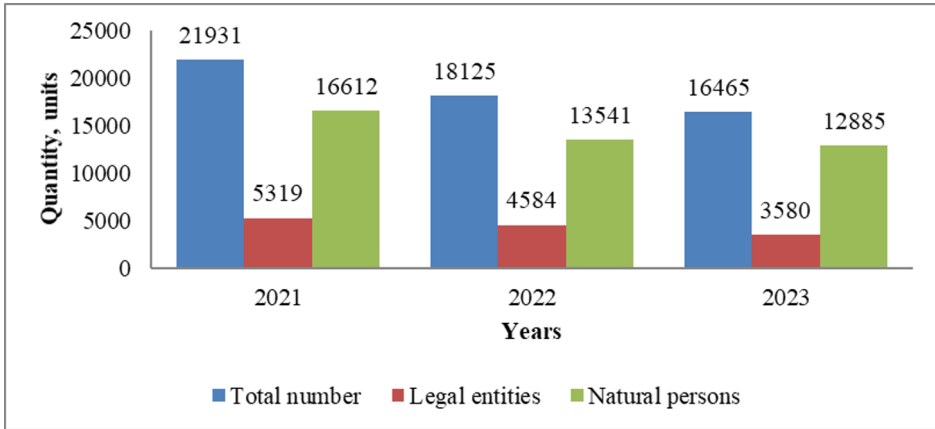


Fig. 2. Number of taxpayers in the tourism industry in 2021-2023, million hryvnias [18].

The largest share of revenues to the state budget of Ukraine in 2023 (Fig. 3) was received from accommodation facilities – 64% (1303623 thousand UAH), which is 45.1% more than the level of 2022 (or 405242 thousand UAH) and 2021 year – by 1.2% (or UAH 15,007 thousand). Tax revenues from tourist operators in 2023 compared to 2022 increased by 22.6% (37,970 thousand UAH). A slight increase in taxes in 2023 was recorded from the activities of tourist bases and children's recreation camps. Thus, in 2023, compared to 2022, the specified increase amounted to 3.3% or 4,704 thousand hryvnias, and compared to 2021, on the contrary, there was a decrease – by 55.6% or 182,347 thousand hryvnias. Such a noticeable decrease is explained by the reduction of their activities in connection with the full-scale invasion of russia into Ukraine. In 2023, compared to 2021, the amount of taxes paid from the activities of camping sites and parking lots for mobile homes increased by UAH 540,000 (or 22.7%), and according to the level of 2022, UAH 1,324,000 (or 83.3%).

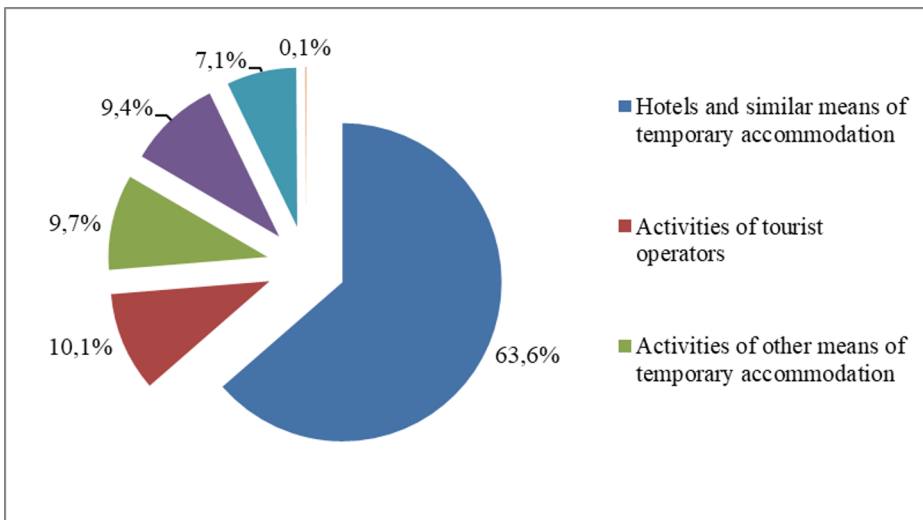


Fig. 3 Structure of tax revenues paid by hospitality industry entities in 2023, % [18].

Summarizing these indicators, it can be noted that the tourism industry of Ukraine has adapted to the difficult realities of martial law and demonstrates active growth in domestic tourism, as well as attention to tourist locations in the central and western regions, their

corresponding development, and a positive impact on the local development of territorial communities. Thus, today, most of our citizens, instead of the more familiar Turkey, Egypt, or Europe, have given preference to such tourist destinations that they would never have visited. It is the return to their unique historical and cultural heritage and natural resource potential that is the main driver of the development of the tourism industry in Ukraine.

The Carpathian tourist region of Ukraine consists of four administrative regions of western Ukraine, within which the mountain system of the Ukrainian Carpathians extends. Each region has its types of tourism that are already developed and those that have prospects for further development. Cultural and educational, medical, rural, and mountain tourism is evolving well in the Carpathian region. Extreme tourism and ecological tourism have good prospects for development.

At the same time, due to urbanization, many villages are now suffering from depopulation. So the need for tourism development is urgent (the advantage is the creation of new jobs and the multiplication of cultural heritage in rural areas). Thus, an example of a successful case is the village of Nizhne Selishche in Transcarpathia, a once depressed village whose socio-economic and cultural life has completely changed. Orest Del Sol (a native Parisian) founded the Green Grove eco-farm in 2006. In 2013, the Prygar couple opened the «Selyska Syrovarnia» cheese factory, which is the highlight of Transcarpathia. Cultural art was added to the production. Since 2007, the international theatre festival «Bird» has been held in the village for talented young people from Ukraine and Europe who bring their vision and inspiration to the community.

To sum up, the festival is a week of workshops in theatre, cinema, conceptual art, land art, scenography, sound, performances, and films. The experience gained is transformed into new projects and ideas of the villagers. A hostel is set up for guests based on an abandoned school, and funds for operating costs are paid from the fee for staying there. The hostel space is used for conferences, seminars, performances, parties, and yoga classes. In addition, villagers' attitude to the environment was changed, thanks to the sorting of household waste and garbage [19].

In addition, the issue of the development of remote and mountainous settlements and districts remains relevant at present. It is critical that the majority of territorial communities in the mountainous areas of Ukraine have a low level of economic development, which causes their weak financial and budgetary capacity and makes it problematic to include mountainous territories in the processes of administrative and territorial decentralization, formation of capable territorial communities, which are carried out in Ukraine [20].

The most restraining problem of the development of rural tourism in the mountainous regions of Ukraine is the high cost of construction. On average, the cost of implementing tourism projects in the mountains is 4-5 times higher than the construction of similar facilities on the plains. The difficult accessibility of the location for construction, the limited possibility of construction during the year, because during precipitation (snow, rain) large-sized equipment is simply not able to drive to the high ground, difficulties with drilling wells for water, connecting to the power grid, a small number of companies with successful construction experience in the mountains – these are all significant obstacles for investments in rural tourism in the mountainous territories of Ukraine, which are the most tourist competitive due to natural features [21].

European experience shows that 90% of mountain communities cannot compete with plain ones without external help and support. At the expense of tourism, only about 10% of settlements can become competitive in the economic sense, provided the development of a high-level tourist infrastructure [20]. Therefore, a course for the multi-faceted local economic development of mountain areas with an appropriate policy for its implementation is necessary.

For example, regional programs for the development of tourism and resorts are a significant incentive for the development of tourism from the regional authorities in the

western region of Ukraine. Thus, as part of the Program for the Development of Tourism and Resorts in the Lviv Region for 2021-2025, the modern VeloBeskydy project was implemented, which connected the 100-kilometer cycling and walking route of Truskavets, Boryslav, and Skhidnytsia territorial communities. The goal of the project is the development of the tourist infrastructure of the region and the popularization of active and healthy recreation. Within the scope of the project, pedestrian-trekking and cycling infrastructure were laid and developed, and safe conditions were created for tourists travelling through the mountainous areas of the Lviv region. The decoration of the project was the construction of a 15-meter observation tower on Mount Tsyukhiv Verkh near the village of Oriv, which offers an unforgettable view of the entire region [22].

Since the modern tourist is increasingly trying to get new experiences from travel, namely to join the local cultural and creative heritage, as well as local activities and lifestyle of the local population, then creative tourism has all the opportunities for this.

Summarizing the views on the interpretation of the concept of "creative tourism", the opinion is formed that it can be interpreted as a certain journey or vacation aimed at pleasant leisure time, discovering new and unexpected places, and gaining interesting impressions. This, in turn, includes visiting folk crafts, traditions, arts, gastro-, agro-, and art-tourism, participation in festivals, as well as active recreation, etc. The key aspect of creative tourism is the creation of the effect of fully immersing the tourist in the creative process, which involves production and creativity, through which the tourist becomes an active participant in events, receives new impressions from interaction with the local cultural heritage, and acquires related knowledge.

The popularity of cultural and educational recreation among tourists is growing rapidly, and currently, about 40% of tourists choose the destination of their trip taking into account the cultural offer.

The main advantages of creative tourism as a factor in the development of the regional tourism market are a new unique tourist experience from the trip; diversification of the offer without any additional investments, only due to the optimization of intangible cultural heritage; positive impact on the development of cultural infrastructure; restoration of intangible cultural heritage; social cohesion of residents and community empowerment; management tool; high-quality and sustainable tourism with high added value and purchasing power, based on authenticity and creativity as the main resource; taking into account the seasonality of tourism, which allows for a better distribution of activities throughout the year [23].

Summarizing the above, we note that creative tourism is the result of cooperation between the cultural and tourism industries, created and exhibited in the tourism market by creative individuals. A creative tourism product can be developed by anyone – a local resident, a farmer, or others whose activities contain elements of the cultural and tourism industry. The combination of these two sectors opens up wide opportunities for creating a variety of tourism offers, and the main resources of cultural tourism are unique cultural heritage (both tangible and intangible), products, and entrepreneurs.

An excellent example of the combination of cultural products and creative tourism is the visit by tourists to certain places in countries that have become famous thanks to various feature films or works («The Lord of the Rings», New Zealand; «Dracula», Bran Castle in Romania; «Pirates of the Caribbean», Caribbean pool, etc). Ukraine also has its example: on the territory of the trout farm «Forelhill» in Verkhovyna, Ivano-Frankivsk region, the house «Hobithill» was built, the idea of which was also inspired by the plot of the film [24].

The international project «Territory of Inspiration» supported the creation of a network of art residences in the villages of five European countries, in particular, one of them is located in the village of Urych (Lviv region), where the medieval Tustan fortress is located. The main goal of this project is to involve the communities of small towns in preserving and

popularizing local heritage, as well as attracting tourists. Ethno-residence «Ladomyria» in the Rivne region unites three locations: «Ethnobrands workshop», weaving workshop «Serpanok» and «Ladomyria» clothing museum of Velika Volyn. There is a unique offline and online workshop where you can create authentic Ukrainian clothes, as well as participate in the creation of new or replenishing the anthology of old products. The implementation of such projects contributes to the increase of tourist flows and the increase of local budgets, as well as improves the well-being of the local population [25].

Since the Lviv region is rich in crafts (which are at different stages of their existence), and world experience shows that the latter is a potential resource for the formation of creative tourist destinations, their development will significantly increase the quality of domestic tourism, and in the future, it can become especially attractive for foreign tourists. Among the advantages, the author [26] cites the following: the creation of additional benefits (opens a new direction of tourism development, creates added value for handicraft products); promotion of the sustainable development of the territory, preserving the local occupation (attracts tourists who are ready to leave money in one or another community, thereby contributing to its development both in the context of tourist infrastructure and in the context of benefits for the local population, revitalizing spaces); creation of jobs among the local population (profitability from one or another craft); choosing craft as a basis for creative tourism contributes to its preservation (since craft serves as a reflection of the history of the people and the country, its special traditions and culture). The main problematic issues that prevent the development of this direction can be noted as the lack of quality management of the tourist destination and communication with the subjects of tourist activity and tourists.

Festivals play a significant role in the promotion of the Carpathian region, as a bright aspect that contributes to the development of cultural and educational tourism:

- «Lead the flock to the pasture» in Zakarpattia is an interesting festival that takes place during several days of May in Mezhyhirya, the program of which includes folk festivities, live music, master classes of folk crafts, as well as the preparation and, of course, tasting of the most delicious cheese, Verdi, cheese;

- the international folklore festival «Etnovyr», which takes place in Lviv, is the central event of the celebration of the Independence Day of Ukraine. During the festival, marching parades of the participants, performances of folklore groups from many countries of the world, evenings of friendship and dance workshops are held;

- The ethnographic festival «Malanka-Fest» (Chernivtsi, Chernivtsi region) is a unique Bukovyna carnival, which presents Ukrainian, Bessarabian, Hutsul, Moldavian, Romanian malanka, the traditions of which are still preserved in Bukovyna. Some teams demonstrate authentic lightning, which is more than a hundred years old;

- festival of Christmas nativity scenes – during the Christmas holidays, more than 60 groups take part in the organization of a nativity scene tour in Transcarpathia, which demonstrates Christmas nativity scenes and folk customs of their localities on the streets of cities. The holiday is accompanied by carols, songs, and folk dances;

- «Sakura-Fest» – at the end of April, the city of Uzhhorod is covered with an incredible canvas of cherry blossoms. It begins to bloom in the middle of April, but at the end of the month and until the end of the May holidays, the peak of flowering lasts. Every year, thousands of tourists come to Uzhgorod to see this beauty;

- The 'Hamora' Festival. Thousands of tourists, guests, and blacksmithing art enthusiasts are gathered for the Festival of Blacksmithing Art and Folk Crafts 'Hamora' in Lysycheve village in Zakarpattia, where professional blacksmith masters work with red-hot iron. Additionally, here we can see an old water-powered forge that has been functioning properly for over one hundred and sixty years;

- The international festival «BEREG-FEST» is one of the oldest festivals in Transcarpathia, which has been held in the city of Beregovo since 1963, the main idea of

which is the revival of ancient folk traditions of the Beregovo Region. A very interesting program awaits the guests of the city: a solemn costume parade, knightly mini-tournaments, a festive recreation of the ancient tradition of winemaking, exhibitions of industrial and agricultural products, tastings of wines, cheese, honey, as well as various entertainment programs;

- The gastronomic festival «Red Wine» (Mukachevo, Zakarpattia Oblast) is the oldest, largest, and most popular wine festival in Zakarpattia for lovers and connoisseurs of this drink;

- the «White Wine» gastronomic festival (Berehovo, Zakarpattia Oblast) brings together the best local winemakers, is the inspiration of the festival, and popularizes the wine glory of the Berehove region in every possible way. In addition to the best varieties of red and white wine, the best Transcarpathian cheeses, wine snacks, and Transcarpathian dishes are always presented at festivals;

- the «Berlyba banush» festival (Rakhiv region) – everyone is invited to get acquainted with traditional Hutsul cuisine. At the traditional fair, guests will be able to try brynz and vurdu (Polonin cheeses), various Hutsul dishes, «Berlybas tinctures» and much more. In addition to tasty treats, tourists can enjoy a photo session near the famous precipitous rocks, an exhibition show of traditional Hutsul clothing, a solemn procession from the foot of the Rocks of Memory, fun contests and competitions, master classes on the preparation of traditional Hutsul products and products.

Of course, this is an inexhaustible list of festivals, a considerable number of them are held in the Carpathian regions, but their main goal is to increase the interest of travelers and have a positive impact on the development of related areas related to tourism. In addition, festivals are used by territorial communities as a tool for promoting the territory (region), marking its uniqueness, authenticity, and attractiveness to increase its tourist potential and solve several socio-economic issues.

Masterclasses, festivals of folk crafts, and thematic events, timed to key Christian holidays, have long become an important element of the program of many ethnographic museums and museums of folk art. They are designed to promote intangible cultural heritage and use it as a powerful tourism resource. The following open-air museums deserve attention, each of which is a virtual journey where you can travel back a century and touch the past, get acquainted with Ukrainian culture and life: National Museum of Folk Architecture and Life (Uzhgorod, Zakarpattia Oblast), Museum of Folk Architecture and Life «Shevchenkivskiy Gai» (Lviv city, Lviv region) [27].

Today, the classical role of the museum (collection of funds, preservation, exhibition) has changed, namely since the end of the 20th century. The universal museum model is considered to be an «open museum», which is a museum-type cultural and educational complex that performs educational, educational, and entertainment functions. So, examples of the above are the Museum «D.S. Secret Pharmacy» (Lviv), the Museum of Interesting Science and Technology «Evruka» (Lviv), and others.

Summarizing the above, we note that each community has its own potential, so, for example, some have wonderful natural resources, others are rich in historical and cultural heritage, gastronomic potential or crafts, etc. Therefore, it is a good idea that every village or city should find a point of attraction, and if it does not exist, then even invent one to attract people and create a mythology of the territory around it. In other words, all communities have the potential for tourism development, but a common vision for their development must be developed between local governments, businesses, and the community population.

4 Conclusions

According to the research results, tourism is capable of actively realizing its potential for ensuring local economic development as it is implemented through the tourist potential of territories, specifically in such assets as architecture, nature, landscape, local traditions, festivals, rituals, hobbies, etc. There are many successful examples of transforming depressed rural areas into capable communities. Among the advantages of the synergy of tourism and local economic development, it is appropriate to highlight the following: diversification of the local economy, preservation of intangible cultural heritage, sustainable development of the territory, improvement of the quality of life and well-being of the local population, investment attractiveness, new forms of cooperation, civic initiatives, formation of creative communities, creative entrepreneurship, cooperation in the cultural sphere, etc. The experience of developed countries (USA, Italy, Germany, France, Great Britain, Canada, China) proves that local self-government bodies, businesses, and the public should be interested in tourism development through their policies. The development and adoption of appropriate strategies, development programs, creation of reliable legal regulation of the sphere, the introduction of systematic and qualitative sector analysis, financing, fiscal and credit policies, grants, public-private partnerships, and active international cooperation will contribute to tourism development.

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