МРНТИ 06.71.57
УДК 330.03
DOI 10.58319/26170493_2025_1_42

DETERMINING THE ECONOMIC BENEFITS AND COSTS OF TRAVEL AND TOURISM

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ABSTRACT. Travel and tourism are an integral part of people's lives. The displacement of people who have ever left their habitual environment has a strong impact on local, regional, national and international economies. As a branch of economy, tourism involves different kinds of economic costs and benefits. There are different problems of tourism development in different countries, but one of the important is to determine the economic benefits and costs of this industry.

The purpose of the article is to consider various methods of estimation of economic benefits and expenses from travel and tourism, used in foreign practice.

This review article discusses various approaches to estimating the economic benefits and costs of travel and tourism. The use of evaluation methods depends on the development of the tourism industry and the socio-economic characteristics of a region or country. Various methods are used to estimate the economic benefits and costs of travel and tourism, from simple guesses to complex mathematical models. The studies vary greatly in quality and accuracy, as well as in the included aspects of tourism. Having analyzed different methods, in our article we have stopped on the method of daily census and on the method of coefficients of «probability of use» as the most acceptable and simple in use.

Such methods of scientific knowledge as analysis, synthesis, structuring, method of tables, induction, deduction, formalization, idealization, modeling were used in writing the article. The systematization of the data was obtained based on the study of scientific literature on a given topic.

The relevance of the article lies in the fact that it is designed to help public authorities and businesses to assess the economic benefits and costs of new potential tourism facilities, to assess the economic feasibility of existing facilities and on this basis to develop public policy in the field of tourism.

KEYWORDS: travel, tourism, economic benefits, costs, mass tourism.

САЯХАТ МЕН ТУРИЗМГЕ БАЙЛАНЫСТЫ ЭКОНОМИКАЛЫҚ ПАЙДАЛАР МЕН ШЫҒЫНДАРДЫ АНЫҚТАУ

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АҢДАТПА. Саяхат пен туризм адамдар өмірінің ажырамас бөлігі болып табылады. Таныс тіршілік ету ортасынан шыққан адамдардың қозғалысы жергілікті, аймақтық, ұлттық және халықаралық экономикаға қатты әсер етеді. Экономиканың бір саласы ретінде туризм экономикалық шығындар мен пайданың әртүрлі түрлерін қамтиды. Әр түрлі елдерде туризмді дамытудың әртүрлі мәселелері бар, бірақ маңыздыларының бірі-осы саланың экономикалық пайдасы мен шығындарын анықтау.

Мақаланың мақсаты-шетелдік тәжірибеде қолданылатын саяхат пен туризмнің экономикалық пайдасы мен шығындарын бағалаудың әртүрлі әдістерін қарастыру.

Бұл шолу мақаласы саяхат пен туризмнің экономикалық пайдасы мен шығындарын бағалаудың әртүрлі тәсілдерін қарастырады. Бағалау әдістерін қолдану туризм индустриясының дамуына және аймақтың немесе елдің әлеуметтік-экономикалық ерекшеліктеріне байланысты. Саяхат пен туризмнің экономикалық пайдасы мен шығындарын бағалау үшін қарапайым болжамдардан бастап күрделі математикалық модельдерге дейін әртүрлі әдістер қолданылады. Зерттеулер сапа мен дәлдікте, сондай-ақ туризмнің енгізілген аспектілерінде айтарлықтай ерекшеленеді. Әр түрлі әдістерді талдай отырып, біздің мақалада біз күнделікті санақ әдісіне және "пайдалану ықтималдығы" коэффициенттерінің әдісіне ең қолайлы және қолдануға оңай деп тоқталдық. Мақаланы жазу кезінде талдау, синтез, құрылымдау, кесте әдісі, индукция, дедукция, формализация, идеализация, модельдеу сияқты ғылыми таным әдістері қолданылды. Деректерді жүйелеу берілген тақырып бойынша ғылыми әдебиеттерді зерттеу негізінде алынды.

Мақаланың өзектілігі оның мемлекеттік билік пен бизнес органдарына туризмнің жаңа әлеуетті объектілерінің экономикалық пайдасы мен шығындарын бағалауға, қолданыстағы объектілердің экономикалық орындылығын бағалауға және осы негізде туризм саласындағы мемлекеттік саясатты әзірлеуге көмектесуге арналғандығында.

ТҮЙІН СӨЗДЕР: саяхат, туризм, экономикалық пайда, шығындар, бұқаралық туризм.

ОПРЕДЕЛЕНИЕ ЭКОНОМИЧЕСКИХ ВЫГОД И ЗАТРАТ, СВЯЗАННЫХ С ПУТЕШЕСТВИЯМИ И ТУРИЗМОМ

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АННОТАЦИЯ. Путешествия и туризм являются неотъемлемой частью жизни людей. Перемещение людей, когда-либо покидавших привычную среду обитания, оказывает сильное влияние на местную, региональную, национальную и международную экономику. Как отрасль экономики, туризм предполагает различные виды экономических затрат и выгод. Существуют различные проблемы развития туризма в разных странах, но одной из важных является определение экономических выгод и затрат этой отрасли.

Цель статьи - рассмотреть различные методы оценки экономических выгод и затрат от путешествий и туризма, используемые в зарубежной практике.

В данной обзорной статье рассматриваются различные подходы к оценке экономических выгод и затрат от путешествий и туризма. Использование методов оценки зависит от развития индустрии туризма и социально-экономических особенностей региона или страны. Для оценки экономических выгод и затрат на путешествия и туризм используются различные методы - от простых предположений до сложных математических моделей. Исследования сильно различаются по качеству и точности, а также по включенным в них аспектам туризма. Проанализировав различные методы, в нашей статье мы остановились на методе ежедневной переписи и на методе коэффициентов «вероятности использования» как наиболее приемлемых и простых в использовании.

При написании статьи использовались такие методы научного познания, как анализ, синтез, структурирование, метод таблиц, индукция, дедукция, формализация, идеализация, моделирование. Систематизация данных была получена на основе изучения научной литературы по заданной теме.

Актуальность статьи заключается в том, что она призвана помочь органам государственной власти и бизнеса оценить экономические выгоды и затраты новых потенциальных объектов туризма, оценить экономическую целесообразность существующих объектов и на этой основе разработать государственную политику в сфере туризма.

КЛЮЧЕВЫЕ СЛОВА: путешествия, туризм, экономические выгоды, затраты, массовый туризм.

INTRODUCTION. Travel and tourism are a topic actively discussed in economic development studies. Initially, tourism was defined as a phenomenon that arises as a result of traveling and staying for a time that is not related to the interests of earning income either permanently or temporarily. But now the definition has changed because it is difficult to distinguish between travel for entertainment, business travel, education and so on. Tourism is defined as an activity related to travel in which people are away from their homes [1].

Travel and tourism have been the subject of academic interest for many years. However, it was only in the 1970s that scientists began to develop a theoretical basis for their study. International mass tourism has been growing rapidly since the early 1960s. At that time, tourism was considered as an economic phenomenon, which, as an important source of income and employment, could provide economic growth in the destination areas. Little attention has been paid to the possible impact of tourism development, and, consequently, the study of travel and tourism has focused mainly on the economic impact of tourism, including indicators such as the multiplier effect. As the scale and scope of international tourism grew, so did awareness of its negative consequences. As a result, academic attention has increasingly turned to the study of the social, cultural and environmental consequences of travel and tourism.

In order to support travel and tourism solutions, various analyses are carried out. The economic impact analysis answers the question of what is the contribution of tourism activity to the economy of a country or region. Economic impact analysis tracks the flows of tourism-related expenditures in the region to identify changes in sales, tax revenues, income and jobs related to tourism activities. The main methods here are surveys of visitors' expenses, analysis of secondary data of state economic statistics, economic base models, input-output models and multipliers [2].

The economic impact analysis also answers the question of whether government revenues from tourism through taxes, direct fees and other sources will cover the additional costs of infrastructure and public services? Also identifies changes in demand for public utilities and services as a result of certain activities and estimates the revenues and costs of local governments for the provision of these services. The economic impact analysis answers the question will we be able to make a profit from this activity? Will the business generate enough revenue to cover its costs and make a reasonable profit? It typically includes a short-term analysis of the availability and cost of start-up capital, as well as a long-term analysis of debt service, operating expenses and income. A financial analysis for a private business is similar to a financial impact analysis for a local government unit.

Demand analysis. How will change the number or types of tourists in this area due to changes in prices, advertising, competition, quality and quantity of facilities or other factors affecting demand? Demand analysis evaluates or predicts the number and/or types of visitors to an area using a usage assessment, forecasting, or demand model. The number of visitors or sales is usually predicted based on judgments (Delphi method), historical trends (time series methods) or using a model that captures how visits or expenses vary depending on key determinants of demand (structural models), such as population size, distance to markets, income levels and quality and competition indicators [3,4].

Benefit and Cost Analysis (B/C) – Which alternative policy will bring the greatest net benefit to society over time? B/C analysis evaluates the relative cost-effectiveness of alternative policies by comparing benefits and costs over time. B/C analysis determines the most effective policy from the point of view of public welfare, usually including both monetary and non-monetary values. B/C analysis uses a wide range of methods for estimating the value of non-market goods and services, such as the travel expense method and the conditional valuation method.

Feasibility study. Is it possible/necessary to implement this project or policy? The feasibility study determines the feasibility of this action, including political, physical, social and economic feasibility. The economic aspects of a feasibility study usually include financial analysis to determine financial feasibility and market demand analysis to determine market feasibility. The feasibility study is analogous to the analysis of benefits and costs in the private sector. The feasibility study mainly focuses on the benefits and costs for an individual business or organization, while the B/C analysis looks at the benefits and costs for society as a whole [5].

Environmental Impact Assessment – What are the consequences of actions for the environment? An environmental assessment determines the impact of a proposed action on the environment, usually including changes in social, cultural,

economic, biological, physical and ecological systems. Economic impact assessment methods are often used together with appropriate measures and models to assess social, cultural and environmental impacts. The methods range from simple checklists to complex simulation models [6].

Thus, the importance of tourism and travel to the economy is generally recognized. As a result, when changes in tourism or policy changes are considered, there is an interest in determining what impact they may have on the economy.

MATERIALS AND METHODS OF RESEARCH. There are many works in the scientific literature devoted to this topic, that is, determining the economic benefits and costs of travel and tourism. Over the years, the economic benefits and costs of travel and tourism have been the subject of study by many researchers [7].

As noted in the work [7], positive effects include the creation of production and income in foreign currency, contribution to government revenues, creation of jobs and business opportunities, stimulation of investment in infrastructure and contribution to regional development. Potential negative consequences are associated with displacement of local enterprises and products, leakage of tourism-related expenses and transfer of tourism income from the host country, costs of tourism-related and auxiliary infrastructure, price increases, economic dependence on tourism, instability associated with employment in tourism.

The tourism sector produces positive results in the state economy, especially at the local level [8]. While this increases the country's tax revenues, governments increase investments in new infrastructure, such as road construction, water supply and sewerage systems, communication networks, rural schools, improved sanitation or healthcare [9,10]. When public investment grows again, positive externalities related to technology and information will be generated by an increase in the number of tourists in the long term. However, additional infrastructure costs associated with an increase in the number of tourists will require additional financial costs for water, roads, transport, healthcare and energy [11].

Tourism also has a positive impact on economic income. Increased competition leads to economies of scale. In addition, tourism brings technology, knowledge, research and development, as well as human capital to the country. [12, 13]. Along with increased efficiency, the unit cost of goods and services benefits from economies of scale. Thus, the positive effect of scale reduces production costs for local enterprises. The arrival of tourists increases the cost of housing and retail prices in the area, especially depending on the season. The inflow of currency associated with the arrival of tourists can simultaneously affect the quality and quantity of goods and services [14]. Expenses of foreign tourists, «which is also called the demonstration effect», can also change local consumption patterns, and this effect can be just as inflationary [11].

In general, the net economic impact is usually positive, despite the fact that the benefits mentioned above are accompanied by a number of environmental and socio-cultural costs [14]. In this sense, the politicians responsible for the tourism strategy may face a dilemma. Assessing the measurable economic benefits and costs of travel and tourism will help policymakers demonstrate their economic policies [11].

In the economic literature, one can find such a definition of tourism: «tourism is one of the largest economic activities in the world. It is a leading industry in many countries, as well as a significant source of job creation worldwide» [15]. As a rule, tourists need basic goods and services, such as accommodation, vehicles, retail trade and cultural, sports and recreational services in the host country. Meeting the needs of tourists affects many sectors of the economy [16]. With the increase in production, new business opportunities are created both in this sector and in related sectors [17]. This is especially important for developing countries such as Kazakhstan with limited capital and labor-intensive industries.

The price paid by international tourists, who have to convert one currency to another, is also affected by the prevailing exchange rate. The economic costs also include the costs incurred by the state to ensure the safety of tourists, to ensure political stability, the costs of creating a favorable image of the country for tourists arriving in the country, and police services [18, 19]. A number of articles focus on the contribution of the tourism industry to gross domestic product, gross regional product, and employment [20].

«Tourism is crucial to creating goodwill among people and, as a result, socio-economic growth in the country. Tourism as an industry contributes significantly to the country's foreign exchange reserves and provides direct and indirect employment opportunities for a wide segment of the population. In addition, the support of national crafts and fine arts contributes to the preservation of the country's natural beauty, cultural heritage and soil traditions, and strengthens the process of national integration and global brotherhood» [21].

As noted in the works of domestic scientists [22], the strategy of tourist services development is formed and implemented for an individual region. Since each region has competitive advantages, the economic costs and benefits of tourist activities are formed accordingly. This fact must be taken into account by local authorities. The factors of tourist

identity of each region include tourist resources, cultural objects, quality of tourist infrastructure, population involvement in tourism and hospitality.

Having studied the theoretical material on the definition of economic benefits and costs of tourism and travel, we came to the conclusion that there is a wide range of articles revealing different components of economic benefits and costs. These components depend on what is important in the study of economic benefits and costs of tourism and travel for each particular author.

Over the years, the economic benefits and costs of travel and tourism have been the subject of study by many researchers [7]. The economic benefits and costs of travel and tourism can be viewed as the economic impact of travel and tourism activities on the well-being or income of residents in a particular region or location. Various approaches to estimating the economic benefits and costs associated with travel and tourism have been analyzed. Many authors consider the economic impact of the tourism industry at three levels: direct, indirect and induced impact [23].

Direct effects refer to expenditures in the tourism sector. Consequently, when tourists spend their money in hotels, restaurants, transportation, communication services and retail outlets, it creates direct income, government revenue, employment effects and some direct imports of goods and services.

Direct tourism contributions include:

- lodging, transportation, entertainment, attractions, lodging services, food and beverage services, retail trade, transportation services, cultural, sports, and recreational services;
- residents' domestic travel and tourism expenditures, businesses' domestic travel expenditures, visitors' exports, and government travel and tourism expenditures.

Indirect effects refer to intermediate consumption for the production of goods and services in the tourism sector. These are the goods and services that tourism companies purchase from their suppliers, forming the tourism supply chain.

Indirect effects include:

- Travel and tourism investment costs, such as the purchase of new planes, construction of new hotels, etc. public collective travel and tourism expenditures, such as marketing and promotion of tourism, aviation, administration, security services, resort area security services, resort area sanitation services, etc. effects of purchases from suppliers, such as purchases of food and cleaning services at hotels, fuel and catering services at airlines, IT services at travel agencies, etc.

Thus, the development of the tourism industry affects the production of services that require a lot of resources, covering the entire spectrum of agricultural, agro-food and industrial production, as well as the construction and modernization of tourism facilities.

RESULTS AND THEIR DISCUSSION. In a world of limited resources, measuring the economic benefits of travel and tourism in an area without measuring the costs involved can waste limited public funds. In addition, such an approach can also severely damage the environment, rapidly increase the cost of utilities to support visitors, and significantly reduce the quality of life for residents. This is true whether the project is a new facility such

Table 1 - Direct associated costs of tourism for the community - Alternative costs for quality of life and fiscal costs

Costs for quality of life	**Budget (fiscal) costs**
Traffic congestion	Construction of highways, police service, public transportation, port and terminal facilities
Crime	Police services, justice system
Fire situations	Fire protection
Water pollution	Water supply and wastewater treatment
Air pollution	Police services, public transport
Garbage	Solid waste removal, police services
Noise pollution	Police services, zoning
Destruction of wildlife	Police services, parks and recreation centers, forestry maintenance, fishing regulation
Destruction of scenic beauty	Parks and recreation centers, police services
Destruction of social/cultural heritage	Maintenance of museums and historical sites, police services
Disease	Hospitals and other medical institutions, sanitary facilities, rules of public catering
Traffic accident	Police services, justice system

Table 2 - Indirect associated costs of tourism for the community caused by the influx of labor - alternative costs for quality of life and financial costs

Costs for quality of life	Budget (fiscal) costs
Crime	Police services, judicial system, education, employment services
Traffic accident	Police services, justice system
Illness, other health threats	Hospitals and other medical institutions, sanitary facilities, public housing
Vagrancy, homelessness	Public housing, urban renewal, housing subsidies, public welfare
Traffic congestion	Police services, road construction, public transport
Uneducated electorate	Education

as a hotel, additional infrastructure such as a new airport, or a marketing program to attract visitors. Public authorities and businesses providing tourism services must reasonably assess the economic costs as well as the benefits of tourism projects.

Determination of the economic impact of tourism and travel covers aspects such as: the contribution of tourism activities to the economy of the region; expenditure flows associated with tourism activities in the region to identify changes in sales; tax revenues, income and jobs due to tourism activities. The main methods here are surveys of visitor spending, analysis of secondary data from state economic statistics, economic baseline models, cost-output models and multipliers.

The source [24] identifies two cases when researchers should apply cost analysis to travel and tourism. One of them is to study the current situation to determine how much additional costs visitors impose on the community compared to conditions without visitors. Combined with benefit assessments, such information can help officials decide whether or not to encourage or limit the number of visitors and how. Secondly, to assess the additional costs associated with an increase in the number of visitors in the community, either as a result of natural growth or as a result of proposed development, such as a new park, additional transportation opportunities or new marketing programs.

«Economic benefit» is understood as the gross increase in wealth or income, measured in monetary terms, of people living in the area, above the levels that would prevail in the absence of the studied activity (in our case, tourism), other things being equal. We are interested in the «gross» increase, because we will estimate the costs of tourism activities separately. Subtracting gross costs from gross benefits yields a net economic benefit, positive or negative. It is important to understand that the economic benefits should actually go to the people who are in the study area. If we want to assess the economic benefits of tourism for people who live or work in the West Kazakhstan Region, we must be sure that the economic benefits really benefit these people.

Now let's turn to the costs of travel and tourism. Travelers and tourists cause expenses when they produce air pollution, garbage, noise and traffic congestion in the community. These are expenses of residents or the government, for which tourists do not pay compensation. [25]. Such expenditures in economics are called detrimental externalities or external losses of the economy, and the costs they cause are spillover costs [26]. Tourism imposes additional costs on the territory. Residents of the area (the «community») affected by unforeseen tourism costs can choose one of three ways to deal with them: (1) they can accept a lower quality of life than they had without tourists; (2) they can compensate for the decline in their quality of life through government spending that residents tax themselves, or (3) they can directly impose monetary costs on tourists through taxes and fees. The last two solutions include fiscal expenditures and differ in who bears public or government expenses: residents or tourists. Table 1 lists some categories of unforeseen costs that can be taken into account in tourism impact studies. It is clear from the table that any type of unforeseen expenses can fall on residents (quality of life expenses) or on the government (fiscal expenses). Residents can decide whether to bear the tax costs due to higher taxes on themselves or shift them to the tourist through specific taxes, fees and penalties for activities or through general taxes such as accommodation, meals and car rental.

The study of travel and tourism costs should take into account all direct side costs indicated in table 1.

In addition to direct side costs, some researchers identify indirect or secondary cost effects that may occur, as shown in Table 2 [25]. If the development of a new tourist attraction attracts enough additional visitors, the number and size of commercial businesses in the community may increase. This will require an increase in the workforce and, therefore, a permanent population. As the permanent population increases, this entails additional financial costs and costs to improve the quality of life for the community. Some of the costs

of additional residents will be similar to the costs of additional visitors and can be classified as in Table 1. The indirect quality of life costs and corresponding indirect financial costs described in Table 2 could be imposed on the community as a result of the increased workforce to serve the increased number of visitors. They differ from the costs in Table 1 in that they are generated indirectly rather than directly by visitors.

A larger permanent population will place an additional burden on educational and hospital institutions. If they are not expanded, the community as a whole will deteriorate somewhat, as the ignorant and the sick threaten to increase in number. The additional population may increase pressure on already declining neighborhoods, demand more urban renewal to prevent an increase in crime and street congestion, with a concomitant decrease in property values and the visual aesthetics of the community. If the workforce expands to take on additional, seasonal work, benefit payments and counseling costs may increase; otherwise, crime and illness may well increase. Finally, population growth can increase the workforce significantly more than the additional jobs created by visitors, as spouses and children of travel-related employees are looking for work. In the absence of economic development programs, long-term residents may face a reduction in their available employment opportunities and income growth. The presence of visitors leads to indirect unforeseen costs as the business and working population expands to meet the growing demand. These indirect costs may be fiscal or related to the quality of life, depending on how residents decide to cope with them. However, there is an additional set of public spending programs that have no direct analogues in terms of quality of life. They can be called «overhead budget expenditures» and they relate to the activities and management of the government. These include financial management, general control, and interest on total debt.

It is not immediately obvious whether these government expenditures should be included in the travel budget. On the one hand, we might argue that budgetary overhead is sensitive to the size of government, and that part of government is to serve travel and tourism activities. On the other hand, we could argue that government primarily exists to serve its citizens, and that this overhead should not be allocated to non-resident visitors: it will continue in the absence of visitors. Moreover, government employees can sometimes reduce this overhead while the cost of serving visitors goes up. If we decide to include budget overhead in our accounting of travel-related budget expenditures, we can allocate them according to the share that travel-related tax expenditures make up the total budget minus the overhead. For example, if an exhaustive study of fiscal expenditures attributable to travelers shows that they account for one-third of the government's non-overhead items, then one-third of the fiscal overhead can also be attributed to visitors. There is another area where it is unclear whether the additional unanticipated costs are attributable to the community as a whole. This includes the redistribution effects of tourism projects. A new thoroughfare or transportation terminal that is far from the old one may well cause a decrease in revenue for businesses established near the outdated facilities. Nevertheless, businesses near the new road or terminal will thrive. As another example, hotels located in a community can have very high occupancy rates. Then a government program (low-interest loans, loan guarantees, special infrastructure) encourages additional hotel construction. Once the new facility opens, the old hotels experience lower occupancy and a return on investment.

On the other hand, the additional visitors generated by a new visitor-related public facility can lead to higher wage rates and property values in the community. Employers must now pay their employees more, and those who want to buy property must pay more to those who already own it.

Some researchers identify five main groups that may be affected in different ways by the presence of tourists in the community:

1. Tourism-related businesses - owners, operators, employees
2. non-tourism related businesses
3. Government agencies
4. Residents
5. Tourists [27].

Most of the impact of costs on tourism-related businesses and tourists is covered by private costs, that is, expressed in exchange transactions in the market. However, we can imagine uncompensated costs, especially for tourists, when crowding reduces the quality of life of tourists. And within them, there are subgroups that may suffer differently than other subgroups: residents who live near the most popular tourist centers will suffer more than those who live far away. Since we have no objective way of determining whether a community has improved or worsened as a result of transfers within the community related to tourists, and the transfer did not produce additional results, it is recommended to exclude it from the cost analysis [28]. The direct associated costs of travel and tourism are difficult to measure [29]. Many simplifying and sometimes subjective assumptions are made to arrive at final cost estimates. As technology advances, subjective content can be reduced to produce reliable objective estimates that are most useful.

Measuring indirect costs is even more difficult

because it requires an additional analytical step. First, assumptions must be made about the relationship between visitor demand and resident businesses, and the individuals who serve that demand. Once this is established, we must then determine the relationship between those serving visitors and the unanticipated costs of their activities. This two-step process can increase the subjectivity of the estimates and decrease their accuracy. Little work seems to have been done on measuring indirect travel and tourism costs [30]. This issue needs more serious attention before it can be considered as accurate as measuring secondary benefits. The problem of measuring contingent costs is alleviated to the extent that residents have chosen to translate quality of life costs into fiscal costs, particularly government spending.

Measuring the fiscal costs associated with community visitors involves allocating some portion of each category listed in Table 1 between visitors. Final estimates of visitor-related fiscal costs will be highly sensitive to the measurement method used, so special attention should be given to developing objective and accurate methods. Looking at the direct fiscal costs of visitors, there are two major issues. One is how to measure the net financial cost to visitors. Many of the program costs listed in Table 1 are at least partially offset by user fees in the community. Street and highway construction and maintenance programs are funded by automobile gasoline taxes. The costs of developing and operating museums, historic sites, parks, and recreation areas may be offset by entrance fees or user fees. The cost of regulating fishing and hunting could be fully funded by license fees. The question is, should we subtract revenue from user fees and deal only with the net cost of each program, or consider the user fees paid by visitors in terms of benefits and consider the gross costs of each program attributable to visitors in terms of costs?

If we are only interested in cost, the first approach may be preferable. This gives us the net cost of visitors to be paid by residents. In doing so, however, we risk missing out on budget revenues from trips not directly related to specific programs, such as sales taxes and gross income. Because these taxes are usually not intended to offset specific costs (i.e., they are a general benefit), they can be excluded from the calculation of the net cost per public service associated with visitors.

It is much more appropriate to maintain a strict distinction between costs and benefits. All fiscal expenditures made by visitors should be summed up on the one hand, and all fiscal receipts received from visitors should be summed up on the other, and then comparisons are made. This has the advantage of including all income items, regardless of whether they are related to a particular service or not, on the side of benefits with other benefits. Similarly, we can compare gross budget expenditures with other social expenditures.

Table 3 shows the units of measurement proposed for the distribution of utility costs between visitors and residents. In each case, we need to evaluate both the overall usage and the usage by visitors. Then we distribute the total cost of the program in each category among visitors according to the share of usage generated by visitors.

It should be understood that in many cases the proposed units are imperfect indicators of the actual consumption of public services by visitors. However, they have the advantage of being easily obtained from visitor surveys and permanent population data. Further research is needed to improve indicators of visitor use of public services. The categories of fiscal expenditures are taken from Table 1. «Daily Census» is the average number of people present daily in the study area over some

Table 3 - Proposed units of measurement of direct fiscal expenditures of tourists

Category of financial expenses	**Unit of measurement**
Construction and maintenance of highways	Vehicle-miles
Regulation of fish and wild animals	Sold licenses
Parks and resting place	Days of site visits or visits
Museums and historical sites	Site visit
Port and terminal facilities	Arrival and departure
Maintenance of forestry	Days of site visit or visit
Public transport	Passengers
Police services Fire protection	Daily census Daily census
Hospital and medical facilities	Daily census
Environmental regulation	Daily census
Health and sanitation services	Daily census
Water supply and wastewater treatment	Daily census
Garbage removal	Daily census

period, usually a year. If the study area is a local community, passengers arriving from outside the community should be included along with residents and commuters.

The daily average of the census is an estimate of the average number of people present in the community during one year, and is calculated as follows:

$$ADC_{c,y} = \frac{VD_{c,y} + (RP_{c,y} * 365\ days) + (\frac{CP_{c,y} * 236\ days}{3})}{365\ days} (1)$$

where

c = community

y = year

ADC = daily average census

VD = annual days of visits made by tourists.

RP = annual average resident population

CP = average number of passengers per day from outside the community.

This is the sum of the number of person-days spent in the area or year, plus the product of the resident population and 365 days per year, plus the number of commuter days divided by 365 days. The average daily commuter population is represented by the number of daily trips multiplied by one-third of the day they spend in the community each day, the product multiplied by 236 days as the average working year, recognizing weekends, holidays and public holidays as non-working days without commuting.

The daily census method assumes that the cost of this public service depends on the number of people present in the area every day. Then the cost of the service can be distributed between visitors and others in the same proportion as the daily census is compiled, that is

$$ADC_{c,y} = \frac{VD_{c,y} + (RP_{c,y} * 365\ days) + (\frac{CP_{c,y} * 236\ days}{3})}{365\ days} (1)$$

where

s = public service provided

c = community

y = year

VP = tourist share of service cost

VD = annual days of visits made by tourists.

ADC = daily average census (Frechtling, Douglas C., 1994).

It is attractive for a researcher to use the method of daily census to estimate all or almost all expenditures on government programs. This makes it possible to correctly estimate the public costs associated with visitors, even if the patterns of visitor activity change, but the number of visitors remains unchanged. Although this is a very simple concept, the daily census method is well suited for a number of government services. This method has been used, for example, to distribute the costs of police protection and wastewater treatment between visitors and others in the state of Delaware.

Tatzin, however, took a different approach to estimating tourism-related costs for «public goods» (1978). Public goods are those services provided by government agencies that are not depleted by an additional user and for which it is usually difficult to exclude people from their benefits [31].

Tatzin has developed «probability of use» coefficients for each public service. They represented the probability that the average tourist would use this service. Such coefficients were easy to develop for some public services similar to private enterprises, such as a zoo. Here tourists-the days of visiting the zoo were divided by the total number of days of visiting to obtain a coefficient. For public goods, such as police protection, he relied on the opinion of knowledgeable officials. He then developed «relative cost coefficients» that represent the intensity with which tourists consume a public service. This is also based on informed judgment. For example, he found that police officers indicated that tourists mainly use the services of patrol services, while residents use them, as well as juvenile services, investigative and other police services [25]. Finally, he combined these coefficients with the total budgets for each service to get the government spending on the day of visiting each service for each type of tourist.

These two methods pursue the same goal — to estimate the cost of public services per visitor per day — but differ in their concept. The method of the average daily census assumes that the intensity of tourists' consumption of most public goods cannot be accurately determined. Tatzin's approach assumes that informed judgments provide a reliable estimate of this intensity.

Measuring the quality-of-life costs associated with travel and tourism in the community has not been properly considered in past studies. Some researchers have tried to estimate the relative cost of alternative activities to improve the quality of life. They were usually limited to the environmental consequences of the visit and suggest that some categories of visitors engaged in certain activities have a lower benefit-cost ratio than others. However, these studies include large subjective components in the assessment methods. It can be argued that residents have the opportunity to compensate for the costs of the quality of life of visitors by transferring them as fiscal expenses through taxes and fees from visitors. If they do not decide to do this, then the cost of quality of life cannot be significant for residents. Therefore, the calculation of fiscal costs is sufficient to cover unforeseen expenses. The counterargument to this argument is that individual residents independently calculate

the benefits and costs, and the majority decides that the decline in the quality of life suffered is more than compensated by the personal economic benefits attributed to visitors. But this does not solve the question of whether the community as a whole will be better off with or without additional visitors. It may happen that the majority of voters believe that they are better off, but the minority, which may well bear most of the burden of costs or value the quality of their environment most highly, bears large enough net costs to offset the net benefits of the majority.

As soon as the economic benefits and economic costs of travel and tourism are calculated, it is possible to determine whether a given tourism project or program is beneficial to the region from an economic point of view, or it costs residents more than they benefit.

CONCLUSION. The purpose of this study was to examine which methods of assessing the economic benefits and costs of travel and tourism are used in current practice.

Economic impact analysis will assess the contribution of tourism activities to the region's economy. The main questions that an economic impact study usually addresses are:

- How much do tourists spend in the area?
- How much of the sales of local businesses are attributable to tourism?
- How much income does tourism generate for households and businesses in the area?
- How many jobs in the area support tourism?
- How much tax revenue is generated by tourism?

The application of methods for assessing economic benefits and costs in different geographical locations will help to see how benefits and costs are distributed geographically and among residents. Tourism economic impact assessments can help travel-related employees learn about their role in economic and business development and how their services contribute to the economic well-being of their communities. Reflecting the net return on investment in advertising and equipment, these studies can encourage both business and government to seek joint ventures with other organizations for mutual benefit.

In general, we can conclude that the study of the economic benefits and costs of travel and tourism is a burning issue in a globalized world. The importance of travel and tourism in both developed and developing countries implies a study of the feasibility of these activities in terms of economic benefits and costs.

Evaluating the economic benefits and costs of travel and tourism allows consumers, businesses, and government to make effective and efficient marketing and development decisions. Such an assessment helps public authorities to develop laws and policies that best promote the economic, social and cultural health of their citizens and avoid decisions that may threaten that health.

The use of assessment methods depends on the development of the tourism industry and the socio-economic characteristics of the region or country. Various methods are used to estimate the economic benefits and costs of travel and tourism, from simple guesses to complex mathematical models. The studies vary greatly in quality and accuracy, as well as in the included aspects of tourism. Having analyzed different methods, in our article we have stopped on a method of a daily census and on the method of coefficients of «probability of use» as the most acceptable and simple in use.

Tourism depends on many factors at both departure and destination points, which are often beyond the direct control of the tourism industry itself. Economic impact studies provide information to help decision makers better understand the implications of various actions in the tourism industry as well as in other sectors of the economy.

Economic studies help to better understand the size and structure of the tourism industry in a given region and its relationship to other sectors of the economy. This understanding helps identify potential partners for the tourism industry as well as in target industries as part of a regional economic development strategy.

With the right assessment of economic costs and benefits, tourism can be a driving force, contributing to stable and sustainable economic growth of the country.

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