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# **SUSTAINABLE DEVELOPMENT AND CIRCULAR ECONOMY: TRENDS, INNOVATIONS, PROSPECTS**

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The scientific monograph presents a study of sustainable development and the circular economy: trends, innovations, and prospects. It also examines aspects of sustainable business performance management, the formation of sustainability of countries, industries, regions, and enterprises. The monograph describes sustainable finance, banking and insurance. In addition, sustainable marketing and entrepreneurship, sustainable consumption, etc. are covered. The publication is intended for researchers, teachers, postgraduate students and students, as well as anyone interested in this issue.

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**GLOBALIZATION AND SUSTAINABLE TOURISM:  
INNOVATIVE APPROACHES TO THE DEVELOPMENT  
OF THE WORLD TOURISM INDUSTRY**

**Svitlana Zaika, Andrii Avryata**

**INTRODUCTION**

The modern world is undergoing a period of intensive development in global connections and economic interactions, leading to the continuous strengthening of globalization. Among the emerging global trends, the concept of sustainable development stands out. In today's conditions of globalization and the informatization of society, the need to transition to the principles of sustainable development also becomes evident in the tourism sector. From practical experience, it is clear that the uncontrolled growth of tourism, focused on quick profits, often has negative consequences, causing damage to the environment, and local communities, and undermining the foundation on which the functioning and successful development of tourism are based.

The concept of sustainable development has a long history. Already at the beginning of the 20th century, humanity began to consider the exhaustion of Earth's resources and the inevitable inability to support the existence of an increasing population.

The concept of sustainable development envisions the harmonious development of the economy, society, and the environment. It is based on three main principles:

- targeted orientation: Development should aim to meet the needs of people, both present and future;
- justice: Development should ensure equal opportunities for all people;
- sustainability: Development should not lead to the depletion of natural resources and the destruction of the environment.

Today, sustainable development is one of humanity's most important tasks. Its implementation will ensure a sustainable future for all people on Earth. At the same time, the success of sustainable tourism lies not only in understanding the problems but also in the development of innovative strategies aimed at ensuring a harmonious alignment of the interests of people and nature. This approach involves the study of historical paths, the formation of principles and goals of sustainable tourism development in the context of globalization, as well as the improvement of innovative strategies to achieve a balance between tourist demand and environmental preservation.

In this study, we delved into the analysis of the above-mentioned aspects, considering not only the past and the present but also looking to the future to determine the problems and prospects of global tourism in conditions of sustainable development. We aim to identify innovative approaches that will determine the future development of the world tourism industry.

The conclusions obtained indicate the need for constant improvement of approaches to the management of the tourism industry, particularly considering the trends of global development and striving for a harmonious coexistence of tourist activities with the preservation of nature and cultural values. Only in this way can we direct tourism towards the path of sustainable development, ensuring the preservation of its values for posterity and nature as a whole.

### **1. The history of the development of the concept of sustainable development of tourism**

Among the modern global trends in tourism, the idea of sustainable development is particularly important. It is clear that in the conditions of globalization and the informatization of society, there is a need to transition to the principles of sustainable development in the tourism industry. After all, the uncontrolled increase in tourism for the sake of quick profit often has negative consequences, causing damage to the environment, and the local population, and undermining the foundation on which the functioning and successful development of tourism are based.

Discussions about the concept of sustainable development of tourism became a common phenomenon in the 1990s. However, it should be recognized that the concept of sustainable development of tourism derives from the general concept of sustainable development. The concept of sustainable development has many aspects and is defined as development that meets the needs of the present generation without harming the ability of future generations to meet their needs. Thus, sustainable development takes a long-term perspective and requires people to manage and plan, taking into account not only the needs of the present but also the interests of future generations.

Although the term «sustainability» has only been widely used in the last 20-30 years, the ideas supporting it arose much earlier. «The scientific understanding of sustainable development as a highly complex and multifaceted process that determines the key vector megatrends of the economic development of countries and entire regions actually originates from the formation at the turn of the XV–XVI centuries of the world system of capitalist relations. At the same time, the protection of the environment for a rather long historical period of time is considered as an environment of human activity that is limitless in its scope, characterized by an almost

limitless resource potential for the development of society»<sup>1</sup>. At the same time, technological and socio-economic transformations, as well as urbanization, led to the desire to maximize production in a short time, resulting in numerous problems. Industrialization changed the economy, society, and the environment, and as a result, there was an awareness that an uncontrolled process could cause damage to the environment.

John Stuart Mill proposed the concept of a stable economy back in 1857, calling it a «stationary state», in which he understood zero growth of the population and stocks of physical capital in conditions of constant technical and ethical improvement. In other words, J. S. Mill justified sustainable development as development without growth, in which qualitative improvement of life should occur without a quantitative increase in the population. He believed that «a stationary state of capital and population does not mean a stationary state in the process of improving human life» and that, in fact, «the improvement of people's lives... when they stop worrying about the problems of survival» is more likely. At the same time, John Mill, like some classical economists, believed that this concept applies primarily to «developed» or «mature» economies<sup>2</sup>.

In 1913, the issue of overexploitation of natural resources was raised at the International Conference on Environmental Protection in Bern. In 1926, V. I. Vernadsky, in his scientific works on the noosphere, proposed a new model of human development aimed at preserving the environment.

In 1962, the UN General Assembly concluded that uncontrolled development in the economic and social spheres was inadmissible.

By the end of the 1960s, it became clear that such development could not last long. Environmental problems had become so serious that they required urgent action. In the 1970s, economic science began to develop new concepts of development that took into account the interests of both society and the environment. It was during this time that the concept of sustainable development was formulated, defined as development that meets the needs of the present generation without jeopardizing the ability of future generations to meet their needs. Sustainable development involves the harmonious development of the economy, society, and the environment. This means that it is necessary to use resources wisely, without harming nature, and to create conditions for the well-being of all people.

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<sup>1</sup> Чала В. Генезис концепції сталого розвитку як динамічна реакція на виклики індустріальної епохи. *Економічний простір*. 2022. № 182. С. 7–16. DOI: <https://doi.org/10.32782/2224-6282/182-1>

<sup>2</sup> Дейлі Герман. Поза зростанням. Економічна теорія сталого розвитку / Переклад з англ. Інститут сталого розвитку. Київ : Інтелсфера, 2002. 312 с.

In the early 1970s, the situation changed rapidly: the aggravation of global problems with resources and raw materials, environmental degradation, and the demographic «explosion» in developing countries helped dispel previous ideas about the possibility of unlimited economic growth. A couple of American scientists, Donella and Dennis Meadows, known for their research «Limits to Growth», played a significant role in highlighting these issues<sup>3</sup>. Computer simulations shed light on how economic progress could affect the future of humanity if trends in pollution and resource exploitation remain at the same level. If current trends in population growth, industrialization, pollution, food production, and resource depletion persist, the world may face challenges such as overcrowding in the next century. This could lead to unexpected and unpredictable declines in population and production. However, changes in growth trends might offer the possibility of establishing a sustainable economic and environmental path in the long run. Simultaneously, achieving a global balance that satisfies the basic needs of each person and provides equal opportunities for the realization of personal potential could be a decisive step.

In the report of the world-famous Club of Rome, an informal association of scientists making long-term forecasts of the development of humanity, it was shown that if current trends in the development of humanity are maintained, by the end of the 21st century, the world will come very close to the limits of growth. This will lead to a sharp decline in the population and a significant reduction in production.

The document that first defined the concept of sustainable development is the «Global Strategy for Environmental Protection», published in 1980 by the International Union for the Protection of the Environment and Natural Resources. It provides the following definition of sustainable development: «Sustainable development is recognized as a process in which development takes place without harming resources and their depletion, allowing development to coexist. This is usually achieved by managing resources effectively so that they can be regenerated at the same rate as they are used, or by making the transition from slowly renewable resources to rapidly renewable ones. This approach makes it possible to use resources for both current and future generations»<sup>4</sup>.

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<sup>3</sup> Meadows D. etc. The Limits to Growth; a Report for the Club of Rome`s Project on the Predicament of Mankind / Meadows D. H.; Meadows D. L.; Randers J. Behrens III, William W. New York: Universe Books, 1972. Available at: <http://www.donellameadows.org/wp-content/userfiles/Limits-to-Growth-digital-scan-version.pdf>

<sup>4</sup> Стратегія сталого розвитку: Підручник / [В. М. Боголюбов, М. О. Клименко, Л. Г. Мельник, О. О. Ракоїд]. За редакцією професора В. М. Боголюбова. Київ : ВЦ НУБШУ, 2018. 446 с.

In 1984, the General Assembly of the United Nations (UN) decided to establish an international commission on ecology and development to prepare a report for the UN.

In 1987, the World Commission on Environment and Development, led by Gro Harlem Brundtland, released the report «Our Common Future». The document noted that the poorest 20% of the world's population owns less than 2% of global production, while the richest 20% controls 75% of production. People living in developed countries (26% of the world's population) consume 80 to 86% of non-renewable resources and 34 to 53% of the food. The report expressed the strategy of sustainable development as a key means of salvation for humanity. The commission viewed sustainable development as the ability to meet the needs of the present generation without compromising the ability to meet the needs of future generations. The main idea was that humanity, through production, demographic processes, and other influences, puts pressure on the planet's ecosphere, leading to its degradation. Only the transition to the path of sustainable development will allow us to meet current needs while providing future generations with similar opportunities.

The report «Our Common Future» defined sustainable development as the development of a society that meets the needs of the present without sacrificing the ability of future generations to meet their own needs<sup>5</sup>.

In 1990, the International Union for Conservation of Nature, together with the United Nations Environment Programmed (UNEP) and the World Wildlife Fund (WWF), prepared the report «Caring for the Earth», in which sustainable development was considered as «improving the quality of human life within the potential capacity of ecological systems that provide the conditions for human life»<sup>6</sup>.

In 1992, at the UN Conference in Rio de Janeiro, the leaders of 179 countries adopted a plan of action for sustainable development, known as the «Agenda for the XXI Century». This plan was introduced in connection with the aggravation of the ecological situation and predictions of a possible global catastrophe in the 21st century that may threaten all living things on the planet. Humanity faced a contradiction between the growing needs of people and the limited ability of the biosphere to satisfy them. As a result, the need for a radical change in the nature of economic growth was recognized, and the concept of sustainable development, which should guide all countries of the world, was proclaimed.

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<sup>5</sup> Герасимчук З. В., Поліщук В. Г. Стимулювання сталого розвитку регіону: теорія, методологія, практика : монографія. Луцьк : РВВ ЛНТУ, 2011. 516 с.

<sup>6</sup> Caring for the Earth. A Strategy for Sustainable Living. Gland, Switzerland: IUCN/UNEP/WWF, 1991. P. 10.

Sustainable development should be characterized by economic mechanisms that, on the one hand, contribute to the effective use of natural resources and environmental protection, and on the other hand, satisfy people's needs and improve the quality of life not only for current generations but also for future generations<sup>7</sup>. The final documents of the conference defined the main aspects of the current economic, resource, socio-demographic, and environmental situation and formulated the key provisions for the transition of the world economy to the strategy of sustainable development.

The document «Agenda for the 21st Century» did not allocate a separate place for the discussion of tourism. However, its influence on the preservation of nature, cultural and natural heritage, and the need to combine the efforts of various organizations for sustainable development led to the creation and adoption in 1995 of a document entitled «Agenda for the XXI Century for the Tourism and Travel Industry», a joint initiative of the World Tourism Organization (UNWTO), the World Travel and Tourism Council (WTTC), and the Earth Council.

This document examines the strategic and economic importance of tourism. It is determined that there are examples of excessive tourist influx, loss of the former glory of resorts, destruction of local culture, transport problems, and resistance of the local population to the development of tourism. At the same time, the tourism and travel industry has the potential to improve the environmental and socio-economic situation in all centers and countries where it operates, while using the culture of sustainable tourism development.

The main emphasis is on the need to replace the culture of intensive consumption with a culture of smart growth, balancing economic and environmental aspects of development, finding common interests of tourists and the local population, as well as fair distribution of profits among all members of society, especially among the poorest.

Since the World Conference on Sustainable Tourism in Lanzarote in 1995, the terms «sustainable tourism development» and «sustainable tourism» have become constant topics of discussion at the political level of the United Nations and in the United Nations World Tourism Organization (UNWTO), leading to important declarations, strategic documents, and initiatives. In fact, it has become a priority area of work for UNWTO<sup>8</sup>. In UNWTO documents, these terms are often used interchangeably.

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<sup>7</sup> Zaika S. O. Main factors of sustainable enterprise development. *Актуальні проблеми та перспективи розвитку обліку, аналізу та контролю в соціально-орієнтованій системі управління підприємством* : Матеріали V Всеукраїнської науково-практичної конференції. м. Полтава, 14-15 квітня 2022 р. Полтава, 2022. С. 579–581.

<sup>8</sup> Concept note: Towards the Development of the 10YFP Sustainable Tourism Programme. Available at: <https://webunwto.s3-eu-west-1.amazonaws.com/2019-08/10yfpstpcconceptnotedec2014.pdf> (accessed 11 November 2023).



In general, guidelines for sustainable tourism development and management practices have become applicable to all forms of tourism in various destinations, including mass tourism. The principles of sustainability encompass the environmental, economic, and socio-cultural aspects of tourism development, and a balance between these three dimensions must be ensured to guarantee long-term sustainability.

To achieve this, sustainable tourism has to:

- optimize the use of natural resources, which is the foundation of tourism development, supporting ecological processes and contributing to the preservation of natural resources and biological diversity;

- respect socio-cultural features of local communities, preserve their cultural heritage and traditions, and promote intercultural understanding and tolerance;

- ensure viable, long-term economic operations, distributing socio-economic benefits fairly to all participants, ensuring permanent employment and income opportunities, and contributing to poverty reduction.

Therefore, sustainable tourism is a necessary step to ensure not only current needs but also those of future generations. To achieve this goal, it is necessary to actively involve all stakeholders, ensure effective management, and maintain a high level of tourist satisfaction. The development of sustainable tourism requires constant monitoring and the participation of all stakeholders to achieve long-term sustainability and preserve cultural and natural heritage.

In the order approving the plan of measures for the implementation of the Strategy for the Development of Tourism and Resorts for the period until 2026 in 2019,<sup>9</sup> the priorities of the sustainable development of tourism and resorts in Ukraine are defined, the main ones being:

1. Formation of a competitive national tourist product as a result of:

- introduction of classification and certification of tourist facilities and infrastructure;

- formation of new and improvement of existing tourist products;

- development of tourist infrastructure;

- integration of local tourist resources to create a complex, diversified and synergistic tourist offer;

- harmonization of tourism development with the lifestyle, traditions and culture of the local population to preserve its authenticity.

2. Development of human resources in the interests of tourism, including:

- activation of educational activities for the formation of public awareness about the role of sustainable development of tourism;

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<sup>9</sup> Наказ від 05.03.2019 № 346, «Про затвердження плану заходів з реалізації Стратегії розвитку туризму та курортів на період до 2026 року у 2019 році». URL: <https://ips.ligazakon.net/document/ME190300>

- improvement of the system of personnel training in the field of tourism.
- 3. Preservation of the resource potential of tourism:
  - development of schemes and a general plan for the development of tourist areas of Ukraine;
  - scientifically based tourist zoning of the country;
  - management of tourist space and introduction of fees for the use of tourist resources;
  - improving the tourist accessibility of the regions with the support of the development of transport infrastructure.
- 4. Formation of information space in the field of tourism:
  - creation of an integrated information system in the field of tourism;
  - providing access to information for tourists and subjects of tourism activity;
  - creation of a network of tourist information centers.
- 5. Creation of a unified marketing system:
  - marketing support of national and regional tourism products to increase competitiveness;
  - promotion of the most valuable tourist resources of Ukraine;
  - conducting activities to improve the positive image of the national tourist product.
- 6. International cooperation:
  - conclusion of international agreements on cooperation in the field of tourism;
  - opening and support of tourist offices of Ukraine abroad;
  - introduction of progressive international management and regulation experience in the field of tourism.

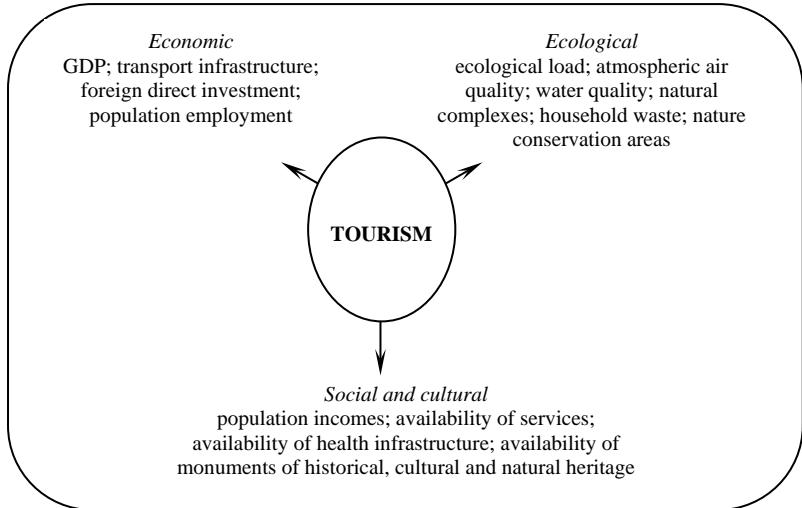
The sustainable development of tourism includes three key components (Figure 1).

The economic component includes achieving the efficiency of economic activity in the tourism sphere through innovative development and rational use of various resources<sup>10</sup>. The ecological component emphasizes the need to preserve nature while using a rational approach to natural resources and avoiding environmental pollution. The socio-cultural component involves the achievement of socially significant results, such as meeting needs for recreation and health, accessibility of tourism for various segments of the population, creation of jobs, and improvement of working conditions, as well as improvement of the quality of life and development of human potential. It

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<sup>10</sup> Zaika S. O., Kharchevnikova L. S. The role of innovations in the development of tourism. *Глобалізація та розвиток інноваційних систем: тенденції, виклики, перспективи* : матеріали І Міжнар. наук.-практ. конф., 3-4 листопада 2022 р. / Держ. біотехнологічний ун-т. Харків, 2022. С. 76–78.

is the implementation of the concept of sustainable tourism that leads to the achievement of a balance between social, economic, and environmental goals, which is important for society, tourists, entrepreneurs, and the local population<sup>11</sup>.



**Figure 1. Components of sustainable development of tourism<sup>12</sup>**

Sustainable development in the field of tourism and recreation services is a complex process aimed at ensuring social justice, environmental sustainability, and achieving economic efficiency. Ensuring social justice includes stabilizing the social and cultural environment in tourist and recreational areas, improving working conditions, expanding career growth opportunities, and ensuring the availability of tourist and recreational services.

Environmental sustainability is achieved thanks to the introduction of resource-saving technologies, the greening of economic activity in the tourism and recreation business, and the reduction of the environmental burden. In turn, the achievement of economic efficiency is achieved by increasing the efficiency of resource use, innovative development of the industry, and

<sup>11</sup> Лебедев І. В. Сталій розвиток туризму: досвід Європейського Союзу і завдання для України. *Вісн. соц.-екон. досліджень: зб. наук. праць*. Одеса : ОНЕУ, 2018. № 3 (67). С. 162–173.

<sup>12</sup> Павліха Н. В., Цимбалюк І. О., Савчук А. Ю. Сталій розвиток туризму та рекреації: сучасні виклики й перспективи для України : монографія. Луцьк : Вежа-Друк, 2022. 211 с.

improving the quality and competitiveness of tourist and recreational services, their certification, and labeling.

The sustainable development of the field of tourist and recreational services is an important indicator of the quality of life and the level of human development. This process is of great economic and social importance in society and is based on basic principles such as massiveness, integration, environmental friendliness, inclusiveness, social efficiency, and economic feasibility.

## **2. Goals and principles of sustainable development of tourism in the conditions of globalization**

Today, UNWTO has identified the priority areas of sustainable development of tourism, including:

- ensuring economic viability, which involves the ability of tourist destinations and enterprises to ensure their competitiveness and continue to develop for profit in the long term;
- maximization of local development, which consists in increasing the contribution of tourism to the promotion of destinations, in particular, maintaining the balance of tourist flows in the regions;
- improving the quality of employment, which includes increasing the number and improving the quality of jobs created through tourism, taking into account the level of wages and other conditions of service without any form of discrimination;
- ensuring social justice, which involves a wide distribution of economic and social benefits from tourism among the entire host community, in particular, improving opportunities, incomes and access to services for the poor;
- implementation of accessible tourism, which ensures safety and comfort for all visitors, regardless of gender, race, physical limitations, etc.;
- involvement of local communities in planning the future development of tourism after consultation with other interested parties;
- ensuring the well-being of society, which includes supporting and improving the quality of life in local communities, avoiding social degradation or exploitation;
- respect and multiplication of cultural wealth, which includes the preservation of historical heritage, authentic culture, traditions and characteristics of the host communities;
- preservation of physical integrity, which involves the improvement and preservation of urban and natural landscapes without their visual or physical destruction;

- support of biological diversity, which involves the preservation of natural areas, the environment and wildlife and minimizing the damage that tourism can cause;
- effective use of resources, which involves minimizing the use of limited and non-renewable resources in tourism;
- ensuring environmental cleanliness, which includes the minimization of waste production and pollution of air, water and soil by tourist enterprises and visitors.

These directions contribute to maintaining a high level of tourist satisfaction and their awareness of sustainability issues. They confirm that the main task of sustainable tourism is to achieve a balance between the host, tourists and the environment. However, finding such a balance to protect and preserve resources while taking into account the needs of all participants, both present and future, is a difficult task<sup>13</sup>.

The main principles of defining goals in the field of sustainable development of tourism are the fundamental starting points that determine uniform approaches for formulating tasks in different spheres of activity and at different levels of management, including national, regional and local.

Among the key principles of achieving the goals of sustainable development of tourism, the following stand out:

1. The principle of purposefulness: the goals must be clearly defined and aimed at achieving specific results. Management and executors must clearly understand what exactly needs to be achieved.

2. Principle of efficiency: goals should be formulated in such a way as to achieve maximum impact with minimum effort and resources. Anticipating effective strategies and methods play a key role in ensuring the successful development of tourism.

3. The principle of optimality and multivariability: the defined goals should be optimal and diverse, taking into account various aspects of the development of the tourism sector. Different goals allow you to take into account different needs and requirements more effectively.

4. The principle of systematic and comprehensiveness: the goals should take into account a wide range of aspects of tourism activities, including social, economic, cultural and environmental aspects. Such a comprehensive approach allows achieving balanced and sustainable development.

5. The principle of consistency and non-contradiction: goals should be consistent with each other and not contradict each other. Alignment of goals is important to avoid conflicts and ensure a common focus.

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<sup>13</sup> Making Tourism More Sustainable. Available at: <https://www.e-unwto.org/doi/pdf/10.18111/9789284408214> (accessed 05 December 2023).