Employment in the Tourism Sector of Uzbekistan, and Factors That Develop the Flow of Tourists

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EMPLOYMENT IN THE TOURISM SECTOR OF UZBEKISTAN, AND FACTORS THAT DEVELOP THE FLOW OF TOURISTS

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Abstract. This article describes the relationship between the employment of personnel in the tourism sector, the income from this sector and the flow of tourists in Uzbekistan, herewith, the factors of tourism development, the state policy and measures for the development of tourism in the country, as well as the current state of the country in the world ranking in the field of tourism. Based on the information of the Statistical Agency under the President of the Republic of Uzbekistan and the official website of the UNWTO, the current state of development of tourism in Uzbekistan is shown. In addition, with the help of econometric analysis, the factors shaping the flow of tourists in Uzbekistan were studied, and it was determined which influencing factor is the most important today. Key determinants affecting the influx of incoming tourists – including business travelers, educational visitors, medical service users, the consumer price index, transport service volume, hotel availability, and the number of sanatoriums and spas – were systematically selected.

Keywords: Tourism, employment, tourist flow, tourism development, economic factors, social factors, cultural factors.

Introduction

Tourism is a type of service industry that generates income for a country by creating various jobs and allowing foreigners to enter the country for various reasons. As an intangible asset, human resources can contribute to achieving competitive advantage for organizations. Human resources skills and competencies may be unique and difficult for competitors to imitate. Organizations that want to win in the face of fierce competition must focus on human resource development. It is included in the human resources of tourism. Improving the quality of personnel is a strategic step in increasing the efficiency of the tourism sector.

According to a report by the (WTTC) World Travel and Tourism Council, tourism is a powerful driver of the global economy, accounting for nearly 10 percent of the world's gross domestic product and employing millions of people [1]. Because, tourism is the basis of the development of socio-economic life and a catalyst for achieving the Sustainable Development Goals [2; 3]. Various factors can cause a large flow of tourists entering a country: such as demographic and social changes, economic development, political and legal regulation, technological changes, educational opportunities, trade development, transport infrastructure, and travel safety [4]. Many developing economies, including

Uzbekistan, are now heavily dependent on the tourism industry for their income. According to the decree of the President of the Republic of Uzbekistan dated 05.01.2019 No. PF-5611 "On additional measures for the rapid development of tourism in the Republic of Uzbekistan", diversification of tourism in the national economy, rapid development of regions, new comprehensive measures to develop as one of the strategic sectors that provide jobs, increase the income and living standards of the population, and increase the investment attractiveness of the country are being implemented step by step.

The liberalization of the visa regime, the simplification of the procedure for registration of foreign citizens, the granting of privileges and preferences for the development of the tourism network made it possible to effectively promote the potential of national tourism in domestic and foreign markets.

Currently, visa-free entry for citizens of 93 foreign countries, electronic entry visa for 56 countries, five-day transit visa-free entry for 47 countries, as well as a simplified procedure for issuing tourist visas for 76 countries have been established.

In 2023, 6.6 million foreign citizens came to Uzbekistan for tourist purposes. This indicator has increased by 1.4 million or 26.6% compared to 2022. Their stay in the country has increased to four days on average, which is 1.3 times more than in 2022.

According to the analysis, in 2023, 810 new tour operators and travel agencies will be launched in Uzbekistan. 70,000 new jobs were created in tourism and related industries. 183 hotels, 215 hostels, 356 family guesthouses have been opened. Placement tools reached 5,477, and the number of places reached 142,720 [5].

During 2023, the most visits were from Tajikistan (2 million 155.2 thousand), Kyrgyzstan (1 million 757.1 thousand) and Kazakhstan (1 million 333.3 thousand people). 714,300 people came from Russia as tourists, while Turkey's figure was 106,500.

Despite the fact that Uzbekistan has a place in the world tourism market, the level of creating comfortable conditions for tourists, improving service, increasing the attractiveness of tourist attractions and strengthening advertising is very low. Therefore, thinking about a significant increase in this regard depends on these factors.

However, understandings of changes in social structures resulting from tourism and related economic development in Uzbekistan often remain unclear, and this often requires attention to understanding local impacts of tourism development. In particular, the relationship between tourism and infrastructure, the country's economic, social and cultural situation.

Literature review

Tourism is the world's largest and most diverse service sector, and many countries rely on it as a source of income, employment, private sector growth and investment. The ranking of competitive countries in tourism includes the 140 most attractive tourist destinations in the world (in terms of cultural resources, cheap

infrastructure, price of tourist products, level of security, international transparency), and Uzbekistan is not included in this ranking.

Governments play an important role in promoting tourism by offering stable policies and a strong framework [6]. Any government cannot ignore the importance of tourism, as tourism not only benefits the industry but also generates positive economic results at the national and local levels. Government involvement in tourism development is vital and has produced remarkable results, such as in Malaysia, Indonesia, Bahamas, Jamaica, Kenya, South Africa, Morocco, Dubai, Tunisia and other countries [7]. They stimulate tourism, which increases the country's gross domestic product (GDP) and the standard of living of its citizens. The growth of the tourism sector is closely related to the availability of necessary infrastructure, such as transport and tourist attractions, in addition to investment [6].

Therefore, today, both the state and the private sector are directing large resources to the tourism industry. According to Keum, due to globalization and market liberalization worldwide, the trend of tourist flow in tourist destinations is constantly increasing [8].

Also, a number of researchers have stated that the theories of international tourist flow are mainly related to globalization, international trade, bilateral agreements, tourism demand and tourism supply [8; 9; 10; 11; 12; 13; 14; 15; 16].

According to Boniface [17], the flow of tourists is not just a movement of people, but an important economic value for the tourism system, that is, international tourism represents a flow of money that earns money in one place and spends it in another.

Also, various factors affecting the development of tourism have been studied by many scientists in their research and they have listed many factors that are similar and close to each other. They include: income, transportation costs, relative tourism prices, promotion expenditure of tourism destination, and availability of special events, availability of money and leisure time, GDP per capita and bilateral trade volume between countries, price, personal financial capacity to travel and budget, destination image and destination competitiveness and etc [18; 19; 20; 21; 22; 23].

According to X. Luo [24], the willingness to serve other people creates the added value necessary for HR in the tourism industry. Hence, HR has a potential mediating function in enterprises in the tourism sector (Fig 1).

A.A. Eshtaev [25], M.T. Alieva, A.N. Norchaev and Z.D. Adilova [26, 27] and others from local scientists have covered tourism, personnel management in tourism and its development factors in Uzbekistan in their research works.

Research methodology

In the research work, econometric-statistical analysis, correlation-regression methods were used in order to study the current state of the tourism industry in Uzbekistan, development factors, the main goals of tourists entering the country, and which sector can be developed to increase the number of incoming tourists. Also, in order to carry out this analysis, the data of the official website of the

Statistical Agency under the President of the Republic of Uzbekistan and the data of the official website of UNWTO were used.

Analysis and results

In this research, we have analyzed the main factors of tourism development in Uzbekistan, and we have determined the purpose of tourists visiting Uzbekistan. The number of tourists entering the country is increasing, and we need to analyze the reasons for the arrival of these tourists and study which sectors attract more foreigners to the country and in which sectors we need to improve the infrastructure (Fig 2).
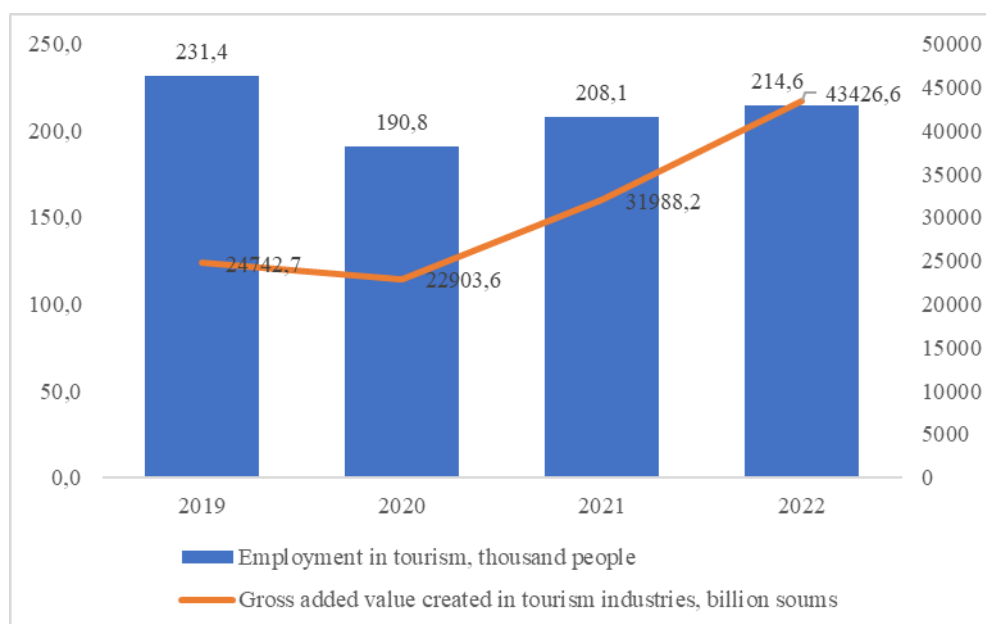

Figure 1. Employment and created gross added value in tourism sectors of Uzbekistan [28]

In the tourism sector, employment and gross value added are interrelated (GVA), and a higher level of employment leads to an increase in GVA. At the same time, the development of tourism creates new jobs and contributes to the growth of the country's GDP. Employment in tourism is formed depending on the flow of tourists. Many jobs are created in places that attract a lot of tourists (Fig 2).
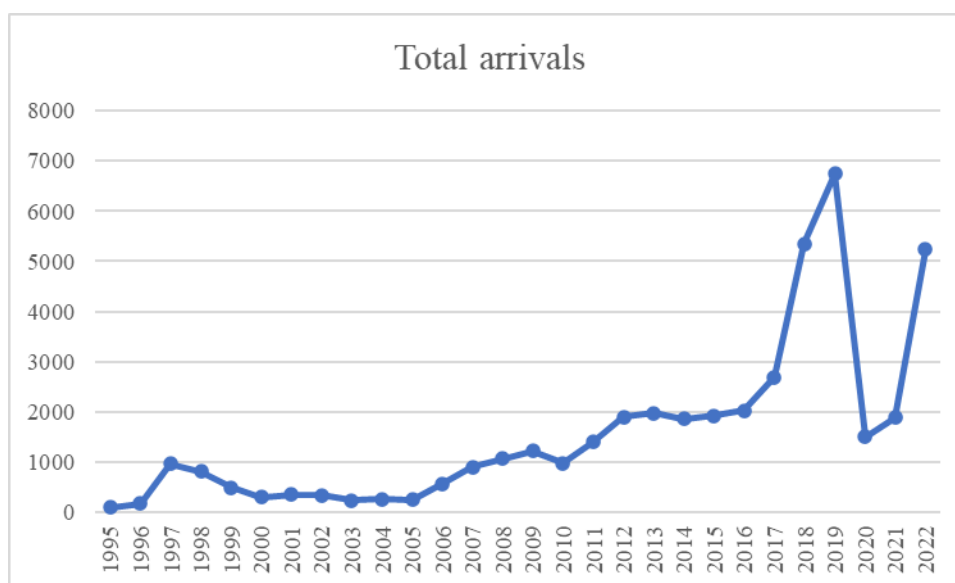
Figure 2. Total arrivals to Uzbekistan [29]

Since the measurement units of the variables are different and to better explain the interpretation of the multifactor econometric model, we can conduct descriptive statistics on the factors before creating a multifactor econometric model. The obtained results are reflected in Table 1.

Table 1. Descriptive statistics on selected factors

Variables	Y	X1	X2	X3	X4	X5	X6	X7
Mean	3774,889	30,74444	10,67778	44,24444	110,8222	56136,31	998,7778	455,2222
Standard Error	726,3986	7,160212	1,896838	6,24878	1,205287	8864,064	77,29269	25,50533
Median	2690	18,5	8,8	52,5	111,1	53662,9	1051	460
Mode	-	-	-	-	-	-	-	-
Standard Deviation	2179,196	21,48064	5,690514	18,74634	3,61586	26592,19	231,8781	76,51598
Sample Variance	4748895	461,4178	32,38194	351,4253	13,07444	7,07E+08	53767,44	5854,694
Excess	-1,9944	-0,5732	-0,21508	-1,40819	-1,23143	0,37979	-0,66135	0,396131
Asymmetry	0,387231	1,068607	0,947232	-0,24224	-0,37608	0,954889	0,094528	0,105057
Interval	5244,4	56,8	16,7	55	9,6	81272,9	726	263
Minimum	1504,1	13,6	4,7	15	105,6	26817,3	661	328
Maximum	6748,5	70,4	21,4	70	115,2	108090,2	1387	591
Sum	33974	276,7	96,1	398,2	997,4	505226,8	8989	4097
Observations	10	10	10	10	10	10	10	10

The average value, median, mode, maximum and minimum values for the dynamics of each factor can be seen from the table data. It is also possible to see the standard deviation, variance, excess and asymmetry of each factor.

A correlational analysis is necessary to select factors for a multifactor econometric model. First, starting with the correlation analysis, we will determine the correlation density of each factor. For this, we use the pair correlation coefficient.

Since the measurement units of the variables are different and to better explain the interpretation of the multifactor econometric model, we create a correlation matrix by logarithmizing the values of all factors in natural form (Table 2).

Table 2. Correlation matrix

	ln Y	ln X1	ln X2	ln X3	ln X4	ln X5	ln X6	ln X7
ln Y	1,000							
ln X1	0,828	1,000						
ln X2	0,823	0,880	1,000					
ln X3	0,527	0,510	0,715	1,000				
ln X4	0,561	0,339	0,268	-0,108	1,000			
ln X5	0,590	0,365	0,228	0,022	0,414	1,000		
ln X6	0,526	0,350	0,159	-0,166	0,488	0,970	1,000	
ln X7	0,585	0,731	0,476	-0,059	0,352	0,357	0,455	1,000

It can be seen from Table 2 that private correlation coefficients indicate the density of connections between the resulting factor (ln y) and the factors affecting it. That is, the values of private correlation coefficients are greater than 0.5 and they can be included in the multifactor model. However, according to the results of the calculation - the book, some of the values of the mutual pair correlation coefficients ($r_{x,y}$) of the influencing factors described above are higher than 0.5. It appears that there is a problem of multicollinearity among the selected factors.

To perform the analysis, we construct a multivariate regression equation, in which we assume that the relationship between y and x is linear ($lny=a_0+a_1lnx_1+a_2lnx_2+a_3lnx_3+a_4lnx_4+a_5lnx_5+a_6lnx_6+a_7lnx_7+\varepsilon_i$) and determine the parameters a_0, a_1, a_2, a_3, a_4, a_5, a_6, a_7 (Table 3).

Table 3. Estimated parameters of the multifactor econometric model

Variables	Coefficients	Standard error	t-statistic	p-value
c	-30,3169	18,46392	-1,64196	0,242301
lnx_1	-0,03374	0,553308	-0,06098	0,95692
lnx_2	0,527567	0,577619	0,913347	0,457474
lnx_3	0,036277	0,58211	0,062319	0,955976
lnx_4	6,445349	3,674672	1,753993	0,221523
lnx_5	1,902719	1,7946	1,060247	0,40015
lnx_6	-3,10896	3,60776	-0,86174	0,479649
lnx_7	1,244211	1,254464	0,991827	0,425808
Observations	Normalized, R^2	R-squared	F-statistics	Probability (F-statistic)
10	0.77	0.95	5,3	0.17

Thus, the linear regression equation of the correlational link takes the following form:

$$Y=-30.3-0.03x_1+0.53x_2+0.04x_3+6.45x_4+1.9x_5-3.11x_6+1.24x_7$$

Here, the regression coefficients α1, α2, α3, α4, α5, α6, α7 determine the relationship between the outcome variable (Y) and the influencing factor variable

(x). This answers the question of how many units the resultant sign increases when the factor sign increases by one unit.

Discussion

According to the results of the above econometric model, the number of foreign tourists entering Uzbekistan is equal to the number of tourists entering for study and treatment, the number of sanatoriums and spas, the increase in the amount of transport services, and the consumer price index. has a connection. An increase in the number of people entering the country for study and treatment by one thousand people will increase the number of foreign tourists entering the country by 530 and 40 people, respectively. Also, an increase in the number of sanatoriums and spas, transport services and the consumer price index by one unit increases the number of tourists by 1.24, respectively; 1.9 and 6.45 leads to an increase in units. Significantly, there is an inverse relationship between the increase in the number of commercial visitors and the number of hotels and the number of inbound tourists, with a one-unit increase in these two factors leading to a decrease in tourist arrivals by 0.03 and 3.11 units, respectively. It is surprising that the increase in the number of hotels does not serve to increase the number of incoming tourists. So, this shows that it is necessary to pay serious attention not only to the increase in the number of hotels, but also to the quality of their service. The inverse relationship between business visitors and general visitors emphasizes the need for a more in-depth study of the facilities created for foreigners to do business in the country.

$a_0 \approx -30.3$ represents the average effect of other factors taken as constant values in our analysis on the resulting sign, that is, in the conditions where the factor signs are $x_1, x_2, x_3, x_4, x_5, x_6, x_7 \rightarrow 0$, at the expense of other factors taken as constant the resulting sign represents $Y=-30.3$ equal to unity.

Conclusion

In conclusion, traveling outside one's own country or region for various reasons, such as education, medicine, leisure, or business, falls under the category of social and economic activity known as tourism. In general, foreign visitors for educational, medical and commercial purposes have a positive effect on the tourism sector. For example, through medical tourism, patients and their attendants can use local services and increase tourism income. Also, these visitors tend to stay longer and use accommodation, meals, transportation and other services. This increases economic activity and brings additional income to the local economy. In addition, necessary infrastructure - hotels, clinics, educational centers, restaurants and entertainment places - will be developed in order to create comfort for visitors.

However, it should be noted that various factors can affect the increase or decrease in the number of visitors to each country, including geographic location, attractiveness of historical and cultural heritage, business opportunities (tax policy), education and the level of development or affordability of medicine, population welfare, ecology and other such factors. Each of these factors has developed differently across countries. In this study, we analyzed the factors that shape the flow of tourists to the country on the example of Uzbekistan.

It should be noted that regression and correlation indicators (parameters of the regression equation, determination and correlation coefficients) may be distorted by random errors due to the fact that they are based on quantitatively limited set of data. The effect of random errors on regression and correlation indicators should not be too large, otherwise such indicators will become meaningless.

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