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International Events Activity as the Viewpoint of Influence on the Economic and Legal Aspects of the Tourist Infrastructure

Kegiatan Acara Internasional sebagai Sudut Pandang Pengaruh pada Aspek Ekonomi dan Hukum Infrastruktur Pariwisata

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Abstract

Tourism is one of the most stable and dynamically developing sectors of the global economy. Despite the economic turmoil of recent years, the number of tourist arrivals is constantly growing. In this flow, the percentage of tourists who prefer to visit various cultural, sports, business, political and other events of various scales also increases annually. People's desires to attend an event or at some event gradually formed an entire industry, which, in turn, began to manage these desires, bringing considerable benefits to the organizers of the events and destinations - the owners of these events in the form of taxes, activation of infrastructure and population. Sochi city, due to its unique geo-economic and geopolitical location, rich history and rapidly accumulating tourist experience, is becoming one of the most attractive Russian destinations in the field of event tourism. The main problem associated with the development of international event tourism as a basis for influencing tourism infrastructure is the lack of methodological materials for the integrated development of this type of tourism, taking into account modern requirements, the insufficient involvement of marketing technologies to create and promote this tourism product in the domestic and foreign markets and, as a result, in its insufficient socio-economic efficiency. Event tourism can be considered not only as a type of tourism, but also as a strategy for the development of the economic and legal sphere of tourist infrastructure.

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Introduction

The intensive development of the tourism industry at the turn of the millennium turned it into a profitable industry producing diverse services to meet people's needs for knowledge, comfort, safety, and relaxation, which turned tourism into a mass consumer sphere.

Event tourism, namely, international event events that are characteristic of the resort city of Sochi and aimed at obtaining not a one-time effect, but on the formation of the image of the territory and the tourist klyster, the development of the economic and legal aspects of the tourism industry as a result of their influence, became one of such tools on public interests and needs. Almost any modern hotel has a high-quality business infrastructure and is focused on organizing events of all kinds - from negotiations and trainings for small groups to conferences, congresses and incentive programs for a large number of participants. In the context of the escalating struggle for the MICE client, hotel companies are looking for a kind of «chips» that, in addition to the quality of infrastructure, technical equipment and Internet connection, can also be distinguished by the originality of the offer. International events include festivals, holidays, sporting events, exhibitions, conferences, forums, business events, meetings, summits, volunteer meetings, etc. The exclusivity of an international event brings additional benefits, which sometimes do not appear immediately, but have a long-term effect.

Methods

The basis of the study proposed in the article was the independent empirical activity of the authors from the point of view of economic and legal aspects, scientific publications of Russian scientists and open Internet data in the field of the development of tourist infrastructure in the region, international events and events as the basis for the development of resort infrastructure. In the process of writing this article, the following research methods were used: observation, systems approach, comparison, analysis and synthesis.

Results

The tourism development strategy in the Russian Federation for the period until 2035 is aimed at the integrated development of domestic and inbound tourism in the Russian Federation by creating conditions for the formation and promotion of a quality and competitive tourism product in the domestic and international tourism markets, strengthening the social role of tourism and ensuring the availability of tourism services, recreation and recreation for citizens of the Russian Federation. «Tourism infrastructure» - collective accommodation facilities, catering facilities, tourist display and visiting facilities, roadside service facilities, trade facilities and other facilities related to organizations operating in accordance with the types of the All-Russian Classifier of Economic Activities Related to the Collective Classification Grouping types of economic activity «Tourism» [Petrova S.V., Fomenko V.A. 2019]. «Tourist territory» - physical space (municipality or group of municipalities), which is characterized by the presence of a common tourist product [Schetinina N.A., Popova A.A., Mytareva E.A. 2020].

Discussion

Holding international events has a significant impact on society as a whole, events attract tourists. Adopting fashionable international experience, the regions are actively creating new event projects, promoting fresh initiatives or, conversely, trying to make tourist brands from festivals and holidays that have existed for a long time.

Among the most striking examples of international events of world significance in the city of Sochi, which over the past 5 years have been hosting several hundred thousand people, can be cited:

1. XXII Winter Olympic and XI Winter Paralympic Games in 2014;
2. Formula 1 Grand Prix 2015-2019,
3. III Winter World War Games 2017,
4. Confederations Cup 2017,
5. Russian Investment Forum 2017 - 2018,
6. FIFA World Cup 2018,
7. Sport Connect 2019 Forum: «Effective Management and Capacity Management»,
8. Forum of innovative financial technologies «FINOPOLIS» - 2019;

9. Russia-Africa Summit-2019,

10. International Forum «Volunteer of Russia - 2019» [Fomenko V.A. 2019].

International events tourism events are of great economic and legal importance. During their period, the activity of all objects of the tourism industry is activated. Consumer demand significantly exceeds supply, in connection with which prices for tourist transportation and hotel rooms soar.

The event tourism market in developed countries has a rich offer. Tourists from Great Britain, the Netherlands or Italy are choosy to the measures that are offered to them, so much attention is paid to the quality of the action, safety, the use of innovative technologies and, of course, the relevance of the product presented at the event. To make their event a cult event (namely, such events attract large flows of tourists), the organizers must constantly surprise the audience [Varaksa N. G., Gudkov A. A. 2020].

As for Russia, in terms of event tourism, the following can be added to the list of problems:

- imperfection of federal and regional legislation, leading to the fragmentation of the efforts of officials at various levels;
- lack of a full-fledged methodological base for managing tourism development, taking into account its eventual orientation;
- insufficient marketing research in this area;
- the lack of periodically recurring large-scale events in Russia that attract the attention of the world community and a professional database open to interested international organizations;
- deficit in the Russian market of companies that professionally organize tours and events.

An integrated approach to organizing international events, consisting of several blocks, began to be introduced in our country only in recent years. Since the creation and promotion of new, globally recognized events requires large financial investments, large-scale marketing research, thoughtful management, long-term formation of interest among potential visitors with the help of PR-campaigns, a sufficient number of professionals, i.e. much of what is missing in Russia, to talk about the significant increase in the role of event tourism in the short term and within the entire state, according to the author, does not make sense. We are convinced that events will work much more efficiently at the regional level. Carrying out various kinds of events brings more benefit to small budgets of regional and municipal significance [Dedkova E., Gudkov A. 2020]. The percentage of event tourism revenue at the local level can be much higher than in the country as a whole. We are talking, of course, about destinations that can qualify for tourist attractiveness, combining many factors: climate, geographical location, the availability of tourist infrastructure, historical and cultural potential, etc.

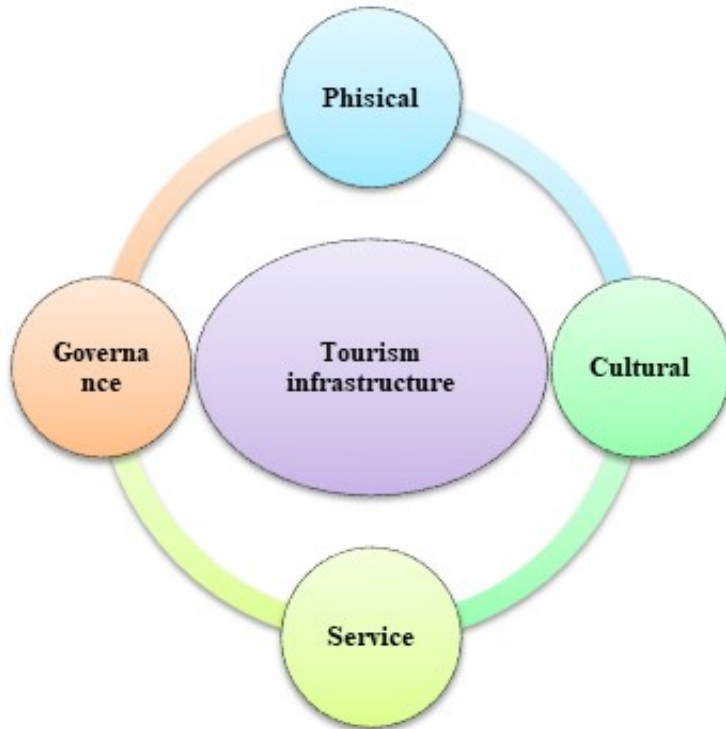


Figure 1. Components of tourism infrastructure

The event itself is the tip of the iceberg; its main part is a voluminous process, which includes setting goals, evaluating, collecting information and statistics, setting goals, organizing, managing, controlling, analyzing time and finances, providing personnel, services, and much more.

The new bill, numbered № 169585-7, created for the development of tourist infrastructure in the Russian Federation, implies the payment of a certain amount for each day a person stays in the resort and tourist area. The payment itself is introduced gradually, and its size depends on the decision of the regional authorities. Back in 2018, the amount of the daily fee was about 50 rubles. Since 2019, it has almost doubled, but does not exceed the set bar of 100 rubles for each vacationer. The resort fee is still valid in four regions: on the Crimean peninsula, in the Altai, Krasnodar, as well as the Stavropol Territories. The experiment itself is planned until 2022, and upon its successful completion, positive experience will be introduced in other resort regions of the country. The money collected in this way will go to the regional budget, from where it will be distributed by specialized funds created in each of the above regions. The goals of the resort gathering are to preserve the nature of the region, support tourist infrastructure for vacationers and restore resort facilities.

According to the decree of the Government of the Russian Federation, from May 1, 2019, the introduced resort fee is payable by individuals who are adult citizens of the Russian Federation or non-resident foreigners who are in the above resort areas for more than 24 hours. Moreover, each region sets its own resort fee rate, which is adopted by local authorities. The following are exempted from payment of this type of fee:

- an individual with the titles of the Hero of the Russian Federation, the USSR, as well as with the status of a knight (full) Order of Glory;
- an individual with the titles of Hero of Socialist Labor, Hero of Labor of the Russian Federation, as well as having an award in the form of the Order of Labor Glory 3 tbsp.;
- individuals participating in the Second World War;
- in accordance with subparagraph 1-4 of paragraph 1 of Article 3 of Law No. 5-FZ of 12.01.95 - individuals-veterans of military operations;
- physical persons with disabilities of wars;
- individuals with the award «Resident of the besieged Leningrad»;
- individuals working during the Second World War - a complete list of relevant facilities is given in article 7 of the Law. For example, these are naval bases, defense air defense facilities, front-line territories of roads and railways,

etc.;

- relatives of the dead participants of the Great Patriotic War, disabled war veterans, war veterans, persons - members of the personnel of the air defense teams, personnel of the Leningrad hospitals and hospitals;
- persons exposed to Chernobyl radiation; citizens exposed to radiation during nuclear tests at the Semipalatinsk test site; other persons equated to the indicated category of person;
- invalids of I and II groups;
- persons accompanying children with disabilities, as well as disabled people of group I;
- families with the status of the poor, as well as single individuals with the same status and other citizens with incomes less than the subsistence level approved in the region;
- individuals who visited the region with the aim of undergoing special rehabilitation or medical care, including staying in resort-type sanatoriums, as well as accompanying them, subject to the trip of a minor;
- individuals with tuberculosis;
- an individual under the age of 24 who arrived in the region with the aim of receiving full-time education;
- individuals residing in the region on an ongoing basis on the basis of a labor agreement or a service type contract;
- individuals owning a place of residence in the region, including residential buildings or shares in them;
- Athletes, judges, coaches and other specialists in the field of physical education and sports arriving for the purpose of participating in sporting events.

Table 1 presents the territories in which the resort fee is charged in the Russian Federation.

Subject of the Russian Federation	Territories on which the resort tax is established	The amount of the resort tax (per day)	Base
Republic of Crimea	Alushta urban district	10 rub - from May 1 to September 30; 0 rub - from January 1 to April 30 and from October 1 to December 31 (charged from May 1, 2021)	Law of the Republic of Crimea dated November 30, 2017 № 435-3PK / 2017
	Sudak city district		
	urban district of Feodosia		
	Yalta city district		
Altai region	Belokurikha city	50 rub	Law of the Altai Territory dated 01.11.2017 № 76-3C
Krasnodar region	resort town of Anapa	10 rub	The law of the Krasnodar region of November 27, 2017 № 3690-KZ
	resort city Gelendzhik		
	resort city of Sochi		
	Goryachiy Klyuch city		
	Novomikhaylovskoe urban settlement of Tuapse district		
	Dzhubga urban settlement of Tuapse district		
	Nebug rural settlement of Tuapse district		
	Shepsinsky rural settlement of Tuapse district		
	Tenginsky rural settlement of Tuapse district		
	Yeisk city settlement of Yeisk district		
	Dolzhansky rural settlement of Yeisk district		
Stavropol region	Essentuki resort city	50 rub	The Law of the Stavropol region of December 8, 2017 № 130-kz

Table 1. Territories of Russia on which the resort fee is established

The resort fee is taken from citizens staying for a while in hotels, hotel rooms or boarding houses, and paid at the place of residence for the number of days actually spent in the resort area, excluding the day of entry. Payment itself is due upon departure. So, if you stayed in a hotel room for only 7 days, you will have to pay only 6. In addition, the so-called «savages», vacationers without accommodation in hotels, are not charged any fees, and officials still have not figured out a way how to make them pay. Therefore, if you wish not to pay the resort fee, you have several options for this:

- The presence of documents that indicate the fact of your involvement in groups of persons exempted from paying the resort fee;
- Accommodation in tents, that is, rest «savage», without accommodation in hotels and pensions;
- Accommodation for a vacation in the private sector. Simply put, I will eat an apartment with local residents.

The amount of the fee payable is calculated from the total number of days actually lived in the resort, except for the day of arrival of the tourist, and the approved tariff rate. The inclusion of the calculated result in the account of the price of accommodation is not allowed, as well as the repeated deduction of the COP for one period of rest. Withholding of the fee is carried out no later than the departure of a citizen from a hotel or other facility for residence.

The operator transfers the money directly to the state at the end of the tourist's stay in the territory of accommodation. Funds are credited to the regional budget of the subject where the individual rested.

The resort fee is not included in the package and the cost of hotel accommodation. It is paid separately for every day before leaving the hotel. Arrival day does not count. If you travel around the region or change the hotel, you will not have to pay again for the same period.

The law introduces such a concept as «resort fee operator». This is a legal entity or individual entrepreneur, which in accordance with the legislation of the Russian Federation carries out activities of the following nature:

- the provision of hotel services;
- the provision of temporary collective or individual accommodation services;
- Provision of temporary residence (including the provision of residential premises for use), including in residential premises.

The transfer of the resort tax to the budget of the constituent entity of the Russian Federation is carried out by the operator after the expiration of the actual stay of the payer of the tax at the accommodation facility. Section 10 of the Resort Fees Act lists the responsibilities of resort fee operators. In particular, they include:

- the implementation of the calculation, collection and transfer to the budget of the subject of the Russian Federation resort fee;
- issue to the payer of the resort tax a document confirming the fact of payment of the resort tax;
- a notice of the impossibility of withholding the resort tax and the amount of the resort tax to be paid by the executive body of the constituent entity of the Russian Federation, which monitors the correctness of the calculation, the completeness and timeliness of payment of the resort tax (if it is not possible to withhold the calculated amount of the resort tax from the payer);
- keeping records of spa tax payers and those exempted from paying the spa tax, to whom the services were provided, in compliance with the requirements of the Law on Personal Data;
- submission to the authorized body of the constituent entity of the Russian Federation of a report prepared on the basis of accounting data, as well as information necessary for maintaining a register of spa tax operators. The form, procedure and deadlines for submitting a report are established by the authorized body of the subject of the Russian Federation [Borisova A.O. 2019].

Responsibility of resort fee operators for violations of the procedure and deadlines for calculating, charging and transferring resort fees is established by the legislation of the subject of the Russian Federation. The resort fee will go to the budget of the region where the experiment is being conducted.

Conclusion

For the successful implementation of event tourism products in modern conditions, an innovative integrated approach is needed, combining the efforts of employees of several blocks.

1. Organizational, ensuring the availability of invited artists, guests, volunteers, staff and their location, food, etc., as well as contact with representatives of the tourist industry.
2. Production, responsible for the technical equipment of the venue and transport.
3. Advertising and informational, reflecting the interaction of the organizers and sponsors of the event to promote the event in the media using advertising and PR technologies at all stages: before, during and after the event.
4. Financial, in charge of accounting for state budget funds and extrabudgetary sources - sponsors, grants, as well as settlements with suppliers and contractors.

These blocks cover almost all organizations and enterprises of the tourism industry, including the event: event agencies (organizing committees); enterprises providing accommodation facilities and venues; catering and trade enterprises; information and advertising institutions; transport companies; leisure and entertainment enterprises; public tourism organizations and associations, etc.; coordinating and regulatory bodies in tourism at the national, regional and municipal levels.

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