



SOME QUESTIONS OF ORGANIZATIONAL AND LEGAL ASPECTS OF HOTEL SERVICES IN THE TERMS OF COVID-19

¹*Shukhrat Nuralievich Ruzinazarov*, ²*Nilufar Khodji-Akbarovna Rakhmonkulova*, ³*Liliya Ilkhomovna Achilova*

¹doctor of law, Professor of the Department «Business law» Tashkent state university of law.

²DSc, Associated professor of «International Private Law and Civil Law Disciplines» department of the UWED

³PhD of law of the Department «Business law» Tashkent state university of law.

e-mail: Liliya.achilova@mail.ru

ABSTRACT

The tourism sector is most acutely affected by the spread of COVID-19 in the world. The closure of the external and internal borders this year not only reduced the revenues of tourism companies to zero, but also led in some cases to the bankruptcy of hotel, transport, as well as catering, sightseeing and consulting services in the tourism sector. Resolute measures have been taken to contain the spread of the virus in Uzbekistan, as well as to mitigate the socio-economic consequences of the pandemic. The crisis in the tourism sector will be largely neutralized by strengthening public-private partnerships at all levels in order to restore and negatively impact tourism.

Keywords: tourism industry, hotel services, impact of the pandemic, drastic measures, mitigation of socio-economic consequences, business support, public-private partnership, tourism recovery.

I. INTRODUCTION

The global tourism industry was one of the first and most acutely affected by the spread of COVID-19 in the world. UNWTO strongly stated «Stay at home today. Start tomorrow». Containing the pandemic is our top priority, and tourism is committed to supporting all measures taken to contain the outbreak. However, these measures have led to the fact that the tourism sector has become one of the most difficult to access, and this has huge consequences for the economy of the whole world (UNWTO, 2000). Tourism is an economic engine and one of the main pillars of supporting global growth and development. It accounts for 30% of global service exports and 1 for every 10 jobs in the world. Regardless of the economic classification of low-, middle – or high-income countries, the contribution

of tourism is multi-level and cross-sectoral (UNWTO, 2019). It is also a vital source of employment, especially for women and youth, as well as income from tourism and foreign direct investment. The closure of the external and internal borders in March this year not only reduced the revenues of tourism companies to zero, but also led in some cases to significant losses. Many companies in the country face the threat of bankruptcy of hotel, transport, as well as catering, sightseeing and consulting services in the field of tourism.

Tourism revenues may be reduced by \$ 150 million. In General, preliminary calculations indicate that there are risks of a decline in GDP growth by 1.8% and exports by 1.1 billion. The deadlines for implementing projects involving foreign investment in the amount of \$ 2 billion may be shifted.

II. MATERIAL AND METHODS

The devastating impact of the coronavirus pandemic was a truly serious test for the entire world community in 2020. The spread of this virus has long passed from the category of «the most significant challenge to the sustainability of public health systems» into an existential threat to all spheres of human activity. In the fight against the growing threat, almost all countries of the world have chosen the path of isolation from the outside world, which means the closure of national borders, the cessation of civil transport communications, as well as the suspension or significant restriction of the activities of large industrial enterprises.

The current coronacrisis served as a test of management effectiveness, preparedness for extraordinary situations and the strength of the entire system in many countries of the world. The pandemic not only revealed sanitary and epidemiological omissions, but also had an impact on the geopolitical, economic and financial system of states.

This pandemic has seriously damaged many years of efforts to expand globalization, develop international institutions and create regional cooperation mechanisms. The sharp rise of the role of sovereign states and national governments in the fight against coronavirus has generated widespread discussion about the end of the era of globalization and the failure of international and regional integration formats. Systemic gaps in the supply chains of goods, suspension of passenger services, closure of borders, tightening of visa rules, increased protectionism, and the lack of clear international coordination in the fight against the pandemic have largely paralyzed all the significant achievements of the globalization era.

The main tasks of states are:

- the necessary systemic solutions for public health in order to prevent the spread of infection;

- development of a strategy for overcoming the corona crisis, restoration of tourist flow, attraction of investments, economic growth, restoration of transport corridors, etc.;
- improving the regulatory framework for timely and coordinated response to emergencies;
- resistance to the infodemic in extreme conditions;
- introduction of innovative management methods;
- prevention of dramatic increase in poverty, inequality and food crisis.

III. RESULTS AND DISCUSSION

In order to effectively mitigate the consequences of COVID-19, the head of our state signed a Decree of the President of the Republic of Uzbekistan «On priority measures to mitigate the negative impact of the coronavirus pandemic and global crisis phenomena on the economy». An anti-Crisis Fund was created in the amount of 10 trillion soums. The main direction of using the anti-Crisis Fund is-first, to Finance measures to combat the spread of coronavirus infection; second, to support entrepreneurship and employment; third, to expand social support for the population; and fourth, to ensure the sustainable functioning of economic sectors. In accordance with this document, the main tasks of providing tax holidays and preferences for credit debt, allocation of budget loans to industries most affected by coronavirus are defined. For example, hotel and tourist companies continue to pay a tourist (hotel) fee of 2-3 dollars per day. In this regard, in the period from April 1 to July 1, 2020, the accrual and payment of tourist (hotel) fees has been suspended (Decree of the President of the Republic of Uzbekistan, March 19, 2020).

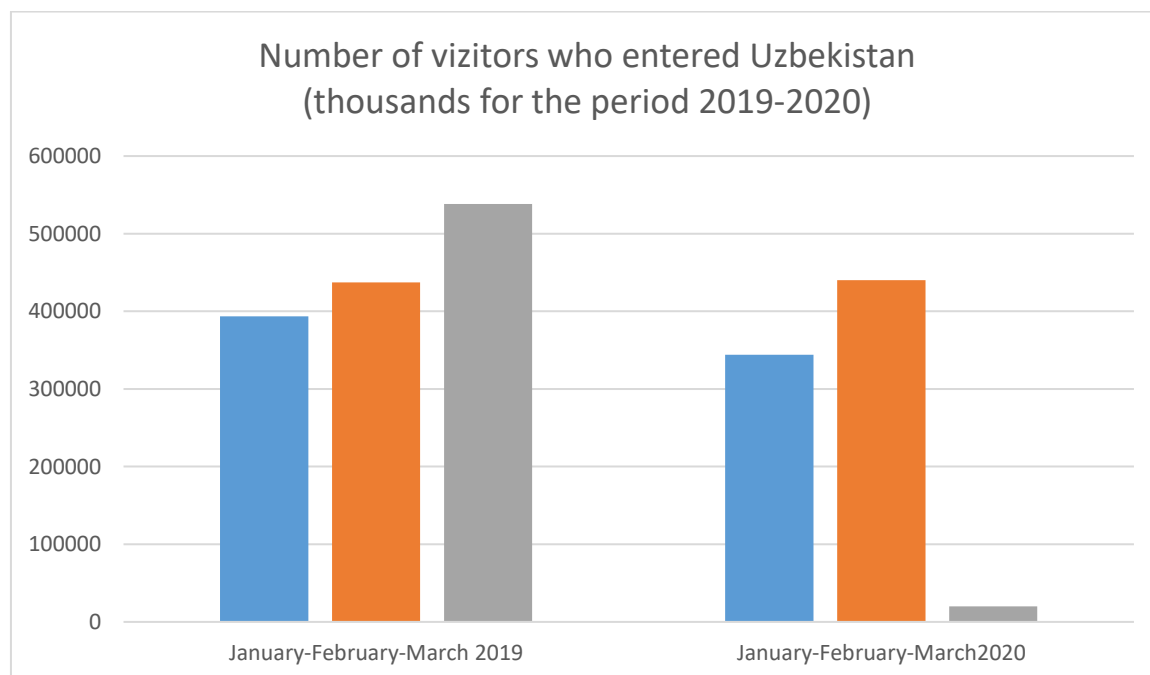
President of the Republic of Uzbekistan, Shavkat Mirziyoyev noted: «The current difficult conditions are a test for our economy. Industrial enterprises, entrepreneurs, and exporters are waiting for us to take concrete measures. Therefore, creating reserves to compensate for possible economic losses and ensuring macroeconomic stability should be the main task of the government» (Shavkat Mirziyoyev, 2020). These issues were reflected in the Decree of the President of the Republic of Uzbekistan «On additional measures to support the population, economic sectors and businesses during the coronavirus pandemic» (Decree of the President of the Republic of Uzbekistan, April 3, 2020).

UN Secretary-General Antonio Guterres highly appreciated the decisive measures taken by the head of our state to contain the spread of the virus in Uzbekistan, as well as to mitigate the socio-economic consequences of the pandemic, including for the most vulnerable segments of the population (UN Secretary-General's message, May 15, 2020).

The organization for economic cooperation and development (OECD, 2020) forecasts an unprecedented crisis and a reduction in tourism revenues in the world up to 45%, if the crisis lasts until September, this figure may reach 70%. Since the tourism sector is an important part of the economy of many countries, this will lead to a negative impact on the macroeconomic indicators of countries where the tourism sector is most developed. Many countries have taken strong measures to support tourism, but this may not be sufficient to restore the tourism sector. One of the main goals is to support companies in the tourism sector and their employees. Governments have announced the creation of support measures, such as providing credit facilities, issuing cash subsidies, lowering interest rates, subsidizing wages, providing tax incentives, and supporting small and medium-sized businesses (UNWTO, September 15, 2020).

Around the world, countries have allocated a record amount of economic assistance to mitigate the effects of COVID-19.

In February 2020, 440198 foreigners visited Uzbekistan, which is 11.9% more than in February 2019, but 96192 less than in January this year. In addition, growth slowed by half, as in the first month of the year it was 23.1%.



Source: Committee for tourism development of the Republic of Uzbekistan

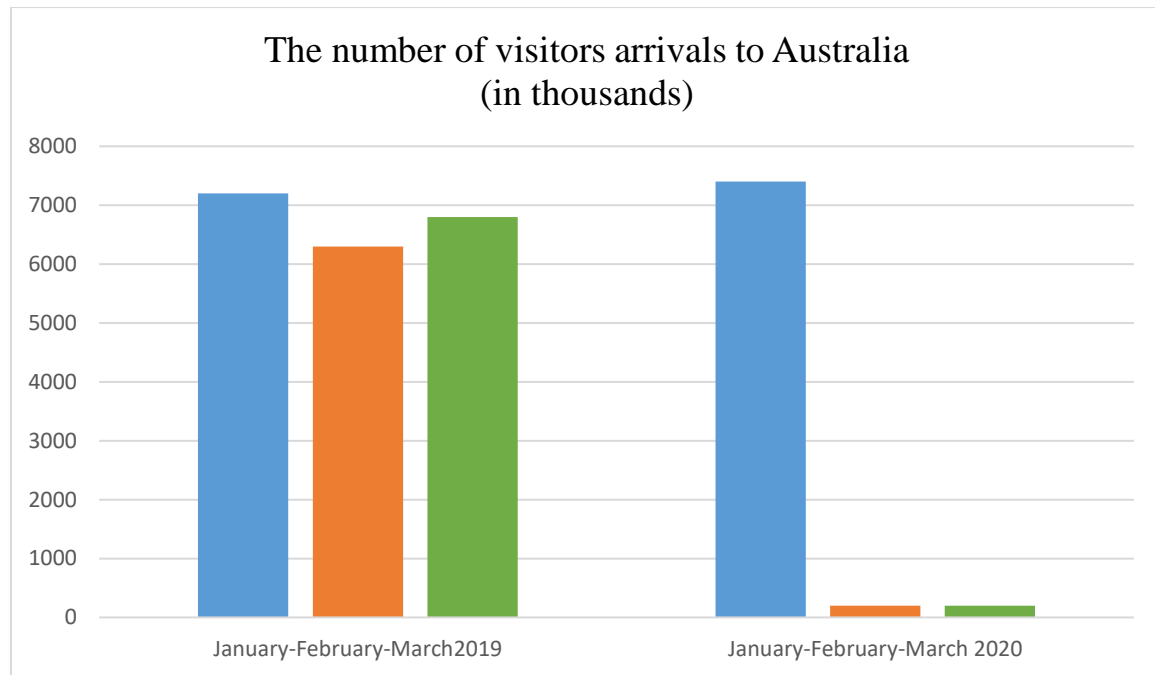
In our country, the following measures have been taken to mitigate the consequences of COVID-19: first, the creation of an anti-Crisis Fund under the Ministry of Finance in the amount of 10 trillion sums'. The funds will be spent on measures to ensure macroeconomic stability, smooth operation of economic sectors, support for entrepreneurship, employment, including the implementation of infrastructure projects and the expansion of social support for the population. Second, support for tourism: from April 1 to

October 1, the accrual of tourist (hotel) fees is suspended; until October 1, 2020, subjects of the tourism sector with a deteriorating financial situation due to the pandemic are allocated an interest-free loan for at least a year in the amount of up to: 50 million soums — for tour operators and travel agents; five times the basic calculated value for each bed-accommodation facilities; from April 1 to July 1 unemployment benefits will be paid at the expense of the State employment assistance Fund under the Ministry of labor: employees of accommodation facilities, tour operators and travel agents who were granted leave without pay in the amount of at least 70% of the average salary at the workplace; guides (guides-interpreters), instructors-guides and guides who have a qualification certificate.

It should be noted that in accordance with the decree of the President of the Republic of Uzbekistan from 29.04.2020 of the year «On measures for wide introduction of the digital economy and e-government» is defined additional tasks, in particular the rapid emergence of digital economy, providing increase of its share in the gross domestic product by 2023 2 times, including through the implementation of complex information systems in management and production, widespread use of software products when reporting financial activities, as well as automation of technological processes; development of «digital entrepreneurship of software products and creation of technological platforms, increasing the volume of services in this area by 2023 by 3 times with bringing their export to 100 million dollars; wide introduction of digital technologies at all stages of the education system, increasing the level of digital knowledge necessary for the modern economy, improving the education infrastructure, as well as opening digital knowledge training centers in all regions of the Republic by 2022 within the framework of the Five initiatives project», etc.

Effective organizational and legal measures have also been implemented in foreign countries in the context of the coronavirus pandemic.

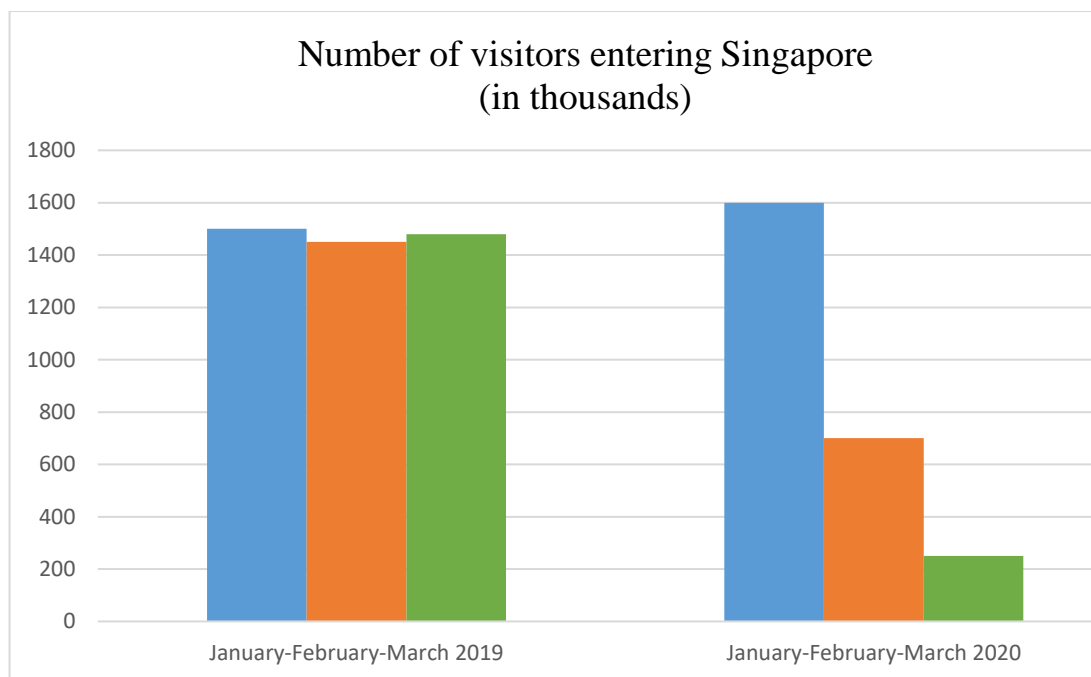
Australia began restricting entry to China on February 1, Iran on March 1, South Korea on March 5, and Italy on March 11. After that, the government began to implement measures of social distance, such as limiting the number of people, closing pubs and clubs, and restricting restaurants only to take out food. On March 18, Australian citizens are urged to postpone all travel plans abroad. Since March 20, non-residents and residents of the country have been denied entry to Australia. On March 23, Australia announced self-isolation for one month. On April 16, Australia announced a four-week extension of the self-isolation period.



Source: Australian government, Department of infrastructure, transport, regional development and communications

In Australia, these measures include: support for entrepreneurs in obtaining loans in the amount of 80 billion Australian dollars for business, including deferring repayment of loans for small businesses for six months in the amount of 8 billion Australian dollars; businesses that have saved their jobs a \$ 130 billion Australian dollar payout: allocated to ensure that up to six million people who might otherwise lose their jobs due to the COVID-19 outbreak are paid. This scheme will earn almost half of those employed in tourism for two weeks in the amount of 1.500 Australian dollars, which will be about 70% of the average salary; temporary support for commercial and non-profit organizations that hire workers during the economic downturn associated with COVID-19. The government will provide tax incentives for relevant businesses provided through loans in the activity reporting system.

From this perspective, the study of Singapore's experience shows that since March 18, it has imposed a ban on entry or transit from neighboring countries, and also suspended calls at ports of all cruise ships. Thanks to its initial success in containing the virus, Singapore was able to take less stringent measures. However, the outbreak of coronavirus infection led to the introduction of self-isolation measures from April 7 to May 4, which was subsequently extended until June 1 this year. Measures include social distance of one meter, closure of businesses except for basic services, full home schooling for schools, and closure of public places, attractions, and places of worship (ASEAN, 2020).



Source: Singapore tourism Board

This country has also developed a positive experience. In particular, the budget for 2020 was formed in the amount of 83.6 billion SGD: 4.0 billion Singapore dollars allocated to help employees and companies on the background of COVID-19 and postponing the increase in the tax on goods and services until 2021; \$ 48.0 billion SGD for budget sustainability: property tax deduction of up to 100% for non-residential real estate, income tax deferrals for three months, rent exemption, additional material support for citizens of \$ 800 SGD per month for three months with low and middle income and who became unemployed due to COVID-19 and \$ 90 million for tourism recovery; \$ 5.1 billion SGD solidarity budget, \$ 3.8 billion SGD for expansion: \$ 600 solidarity payment to all Singaporeans aged 21 and over in 2020.

The Asian Development Bank, in its annual economic publication «Review of Asian development 2020», believes that despite the rampant coronavirus pandemic, the ADB forecasts GDP growth in Uzbekistan in 2020 at the level of 4.7%. Yes, this is less than last year's figure of the ADB, which indicated 5.6%. However, by 2021, the ADB forecasts Uzbekistan's GDP growth to reach 5.8%. The Bank believes that the measures and reforms being implemented should stimulate growth in agriculture, industry and services.

It should be noted that the next 65th session of the European Commission of the world tourism organization (UNWTO) will be held in Samarkand. The event, scheduled for June 24-25, 2020 in Samarkand, will be attended by more than 300 members of the delegation from ministries and departments of tourism and related areas from more than 40 countries, as well as a conference jointly with the European Bank for reconstruction and development. Due to the COVID-19 pandemic, it was decided to hold

this event online. The main theme of the event is aimed at the impact of the pandemic on tourism and overcoming its consequences (UzDaily, 2020).

At the same time, taking into account the new realities due to the COVID-19 pandemic and the requirements for the process of organizing tourism and leisure, creating safe conditions for domestic and inbound tourism, Uzbekistan has developed the project «Uzbekistan. Safe travel guaranteed». The project is a new system of sanitary and epidemiological safety for tourists based on world standards. Certification of tourism facilities and related infrastructure and tourist services based on the new sanitary and hygienic requirements will be mandatory for all state border points; air, railway and bus stations; objects of material cultural heritage, museums, theaters and other cultural objects.

At the same time, The state Committee of the Republic of Uzbekistan for tourism development together with the Ministry of health will form and supplement the Register of safe tourism objects, on the basis of which tour operators will begin to form tourist routes. Certification of business entities (catering services, accommodation facilities, transport services, and others) is voluntary. An important part of the project will be the organization of training and advanced training of personnel, tourism facilities and related infrastructure. The restoration of tourism in Uzbekistan will take place in three stages. At the first stage, domestic tourism is already being resumed in regions of Uzbekistan with «green» and «yellow» levels of quarantine starting from June 1. From this date, related organizations start operating in these zones in strict compliance with the established sanitary and hygienic standards and requirements.

In 2020, Bukhara is declared the capital of Islamic culture. An important step in this direction is the promotion of mini-brands of regions, cities and tourist centers. These mini-brands will be based on the gastronomic, artisan, cultural, historical, agro-or eco-features of a particular city or district. The current pandemic has once again highlighted the importance of digitalization and the introduction of IT-technologies in the tourism industry. Undoubtedly, the country is also actively working in this direction. For example, a website was created online-tourism.uz, containing detailed information for travelers, entrepreneurs, and young startups in separate sections. Also, for our guests who had to postpone their trip to 2021 due to the pandemic, we organized virtual tours in the resources «Online Uzbekistan» and «Uzbekistan360», so that they could get acquainted with the sights of the hospitable Sunny Republic.

IV. CONCLUSION

Today, every country, and now every one of us, is increasingly feeling the burden and impact of this disease on our society. However, this pandemic and all these shocks are temporary, and then the economy will definitely return to the course of its growth. At the same time, what this growth rate will be depends on how purposefully and competently we will take these anti-crisis measures today.

Based on this, it can be concluded that public-private partnerships for the restoration of tourism need to be strengthened at all levels: from local to national and even within the regional. At the local level, destination management organizations can play a leading role by bringing together multiple stakeholders to help coordinate and implement joint actions for tourism development and management in the post-COVID-19 period. At the national and intra-regional levels, there will be a need for joint initiatives involving national tourism administrations, tourism boards and associations of tourism enterprises to overcome the consequences of the COVID-19 crisis and develop plans for the future. We believe that the following types of technical assistance activities in the area of institutional strengthening and sustainability should be identified that can help member States provide guidance and support for recovery processes from the negative impact of COVID-19, in particular support for job retention in the tourism sector. These measures include: increasing the resilience of tourism enterprises to adapt during the COVID-19 period, including safety and hygiene; public-private partnership for improving tourism; development of a communication strategy to respond to crises; media training for businesses serving the tourism sector; capacity-building programmes for tourism development and management to accelerate recovery; strategy for national development of human capital in the field of tourism; development and strengthening of target management organizations; capacity building for domestic tourism, development and promotion of local tourism products; realization of women's rights and material opportunities through tourism; project on employment of young people in the field of tourism; introduction of information and communication and technical innovations.

At the same time, we think that the legislation on tourism needs to fix the rules on digital tourism. In particular, it is necessary to introduce online tourism and startups, «open-air hotels», digital services in the hotel business; unify tourism legislation in accordance with international norms and standards (Manila Declaration on world tourism (1489), Charter of tourism (1985), Declaration on tourism (the Hague 1989); develop a single unified system of tourist navigation; develop transport logistics in the field of tourism; legislate the legal status of tourist zones and clusters; effectively use social entrepreneurship in the field of tourism (especially in the production of modern competitive handicraft and souvenir products); develop special tourist road maps (routes) taking into account the age-related interests of socially oriented tourists and tourist flows of young people and pensioners; regularly monitor the activities of tourist companies and conduct a sociological survey among tourists, as well as with all participants in the tourism industry; take measures for scientific digital and information support in the field of tourism business; develop a draft Law «On the development of rural tourism» taking into account the experience of foreign countries; ensure the safety and protection of tourists and their dignity.

Of course, the application of effective and sustainable organizational and legal measures in the context of a coronavirus pandemic will give a

powerful impetus to the development of the tourism industry in accordance with the requirements of digital and epidemiological reality.

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