

Chapter 12

Economic Impacts of the Pandemic on Tourism Management in Turkey: The Case of COVID-19

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ABSTRACT

The process of globalization has increased interdependence between countries. The COVID-19 pandemic, which broke out in December 2019, has been effective worldwide. The pandemic directly affected the country's economies, leading to a global recession. Tourism is one of the sectors directly affected by the economic downsides. The decline in tourist mobility in the international arena has led to a decrease in demand and unemployment in the tourism sector and its associated sub-sectors. This study aims to reveal how tourism activities are affected by the pandemic in Turkey, which has an important place in world tourism. The study analyzed the scientific literature that, together with the COVID-19 crisis, provided a general profile of the crisis process in the tourism sector. Economic difficulties of Turkish tourism, their indirect effects on a macroeconomic level, and tourism-related sectors were examined. Various solutions and recommendations have been made to get out of the crisis. Guiding assessments have also been made for future academic studies.

INTRODUCTION

With globalization in the last fifty years, international tourism has become widespread. International tourist traffic has increased with the developments in transportation facilities (Aktaş, 2020: 109). Globalization encourages the dynamic structure in tourism and deepens the effect of any negative situation on tourism (Şengel et al., 2020: 1432). With the globalization process, mutual relations and dependency between countries are increasing day by day. The first coronavirus case was detected in December 2019

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in a group of people who applied with symptoms of viral pneumonia in Wuhan, Hubei province of the People's Republic of China. The new type of coronavirus has been seen as a serious infectious disease with a very high spread rate, from the same family with the Middle East Respiratory Syndrome (MERS) and severe Acute Respiratory Syndrome (SARS) epidemic (Türker and Karaca, 2020: 3). With the announcement of the coronavirus as a pandemic by the World Health Organization on March 11, 2020, an increase in deaths due to this infection was observed in Covid 19 cases in Iran, South Korea and Italy. During this period, serious increases were observed first in Europe and later in America. With the start of the second wave in many countries in the autumn of 2020, the increase of cases continued.

In November, Biontech Pfizer, Sputnik V, Moderna, Oxford Astra Zeneca companies developed a highly effective vaccine against coronavirus, creating a positive atmosphere worldwide. The World Health Organization has given emergency use approval for these vaccines, Biontech Pfizer and Oxford Astra Zeneca, and warned the fair distribution of the vaccines. The emergence of different mutations of the coronavirus in UK, South Africa and Nigeria in December 2020 and Japan in March 2021 has raised concerns. Although it is stated that the developed vaccines are effective against mutations, the uncertainty and risk regarding the normalization process still continues.

It has increased in economic stagnation around the world along with the global epidemic. Consumption demand and exports are projected to decrease by 60% and 30% in the less affected sectors (Bayrak, 2020: 297). The second largest economic sector in the world after industry is tourism. Tourism is important for the economy of countries such as USA, Germany, Japan, France and Turkey. Tourism with an economic potential of 2.2 trillion dollars in Europe and 2.1 trillion dollars in Asia reached a volume of 2.75 trillion dollars in 2018 and 2.84 trillion dollars in 2019 in the global economy. This volume is expected to rise to \$ 4 trillion by 2029 (Sürme, 2020: 14).

According to the data of the World Tourism Organization (UNWTO) and the World Travel and Tourism Council (WTTC), the number of worldwide tourism, which was 25 million in the 1950s, has increased by 59 times until 2019, reaching the limit of 1.5 billion. The tourism industry contributed 8,9 trillion dollars to world GDP in 2019 and created 330 million jobs, corresponding to one out of every ten jobs created in the world. The capital investment of 948 billion dollars in tourism corresponds to 4.3% of the global total capital investment. According to WTTC, the world tourism sector, which grew by 3,5% in 2019, is the reason for one of every four new jobs created in the world in the last five years. The tourism sector is the biggest assistant of national governments in creating new jobs and tackling unemployment. The tourism sector, which created 249 million jobs in 2000, contributed more than 30% in 2019, creating approximately 350 million jobs (Karadaş, 2020: 249). The tourism sector contributes to an average of 4,4% of GDP and 21,5% of service exports in OECD countries. The share of tourism revenues in GDP is 3,8% in Turkey. This is a result of tourism providing foreign currency input, strengthening regional development, supporting many businesses and businesses directly, and forming the basis of many local communities (Bahar and İlal, 2020: 129). The tourism sector, which contributes directly to employment, affects the total employment as it provides indirect employment opportunities to other sectors that provide inputs (Erol, 2020: 40). Turkey ranks fourth in Europe by the number of tourists are ranked sixth in the world. It ranks sixth in Europe and fifteenth in the world in tourism revenues (Sürme, 2020: 17). This situation shows the importance of the tourism sector for the country.

The tourism sector has been adversely affected due to the impact of the pandemic all over the world and its unpredictable consequences. Curfews, the closure of some businesses for a certain period of time, travel restrictions in order to control the pandemic caused a decrease in supply and demand. The pandemic was interpreted as the biggest recession after the Second World War, and the global economy

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