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## **OPPORTUNITIES FOR THE DEVELOPMENT OF RECREATIONAL AND MEDICAL TOURISM**

*Key words: recreational and medical tourism, human capital, medical service.*

*Abstract. Contemporary tourism is a complex and massive phenomenon; It`s a form to organize the vacation, means of getting to know the environment, sphere of services and entrepreneurship, a part of regional and state policy. There`s a large industry of using the recreational resources in modern developed countries, which brings significant revenues. The mentioned industry includes recreational enterprises, resorts, sanatoriums, holiday houses and others, the main purpose of which is to maintain*

*and improve human`s health. In the work, it`s been studied the possibilities and prospects of development recreational and medical tourism in Georgia.*

A great importance is attached to knowledge under the conditions of information and innovative economy, which has created a high demand on high-qualified specialists and intellectual labor – human capital. Human capital is represented to us as a combination of human knowledge, skills and experience, the use of which in production processes greatly increases the volume of the produced products and based on it country`s welfare is increased. It`s characterized with human capital the fact that it`s productive and produced at the same time. This latter means the investments, made in human capital on health, education, intellectual activity, raising the living standards, culture and others. The mentioned investment is exactly the expenditure for economy, the return of which is high production results of healthy and high-qualified human resources.

At first, education was considered as a key factor in formation of human capital, but in 1970ies M. Grossman presented the role of health capital, according to which a man is interested to invest in education and health in order to increase his own incomes in the future. As a result of it, human productivity is increased, what stipulates the economic growth [3]. Grossman M. Samuel Preston was the first who studied the correlation between health status and economic growth, which is known as the “Preston curve” and according to which, the countries, which have healthy population, have higher incomes and vice versa. [1]. health care and growth of vital activities have become an integral part of modern system of values [11].

The development of tourism industry around the world and at the same time stirring-up the interests towards the healthcare technologies and healthy lifestyle in all strata of population caused the emergence of new, perspective types of tourism. Among them it should be noted medical and recreational tourism, which means getting a variety of medical service in parallel of visiting tourist attractions. It`s not limited with only medical operations, surgical interventions, but it also implies the complex of its accompanying procedures, in particular: prevention of chronic diseases, preventive diagnostics at the initial stage of the disease, post-rehabilitation of the past complications or operations.

The growth rates of medical tourism are the highest among the other segments. Its growing is proved according to the fact that more than 50 countries have taken the development of the medical tourism at the level of state policy[7]. In 2017 year, a number of medical tourists consisted 14-16 million in the world. Medical tourist has enormous financial consequences. The average cost of each medical visit is 3800-6000 US Dollars and annual expenditure around the world consists of 45-72

billion US Dollars. The total cost of medical tourism is annually equaled to 439 billion US Dollars [2], In 2015-2017, the sector was increased with 6,4%, what is twice more than the growth of the world`s economy (3,6%)[10].

The demand on the medical service is not a new phenomenon in the foreign country and it`s possible to study it in the historical context. The facts of people traveling abroad to receive medical care have been known since ancient times, but this process has become more active since the 19<sup>th</sup> century. For example, with the growth of middle class, travelling to resort towns has become fashionable in Europe to improve the health conditions. During the 20<sup>th</sup> century, wealth people travelled from the world`s less developed regions to the developed countries to access to the best medical institutions and high-qualified medical doctors. It should also be noted that in the modern conditions, the swings related to the medical tourism are different both quantitatively and qualitatively from earlier forms of health-related travel. The main difference is created with the growth of flows to the developing countries.

In the 21<sup>st</sup> century, the peculiarities of medical tourism are as follows:

- A number of people, sent for treatment, is increased;
- Travelling for the purpose of medical service from the developed countries to the developing countries is connected with the low prices of the service and access to the information via internet sources;
- New infrastructure and access to travelling;
- An aspiration of both private business and government to develop medical tourism as a potential source of getting the revenues.

Medical tourism industry is dynamic and unstable. It`s influences by economic climate, reforms in domestic policy, political instability, travel restrictions, advertising policy, geopolitical swings, introduction of innovative forms for treatment and etc. Many countries are trying to use their strengths to become a supplier of the medical tourism and get all possible benefits from this.

Inviting medical tourism in the country is connected with the growth of the costs, what causes the need to improve the infrastructure (e.g. arrangement of medical institutions, roads, telecommunications).

Finally, such kind of investments causes well-disposed side effects for both medical tourists and local population as well. Besides that, costs will be spent for personnel training and staffing, on creation of possible accreditation schemes and other demands, what is needed to attract tourists. In addition to the economic and financial benefits, “leakage” of advanced experience and technologies

should be taken into account. There`s a possibility to purchase and introduce new technologies, relationship with foreign patients and staff stipulates the growth of the quality, foreign patients service can increase throughput, what contributes qualification raising and the culture of personnel development. Some exporting countries have used the growth of the medical tourism and managed to return their own compatriots to their homeland countries, who were employed in foreign healthcare facilities and this somehow hindered “brain drain” process. The abovementioned has a dual advantage, on the one hand it gives a high-quality signal and on the other hand, it stipulates to return back valuable human resources.

Medical tourism is a growing trend in Georgia, because the level of the medical service of the country increases day by day, a number of high-qualified staff is increasing and accordingly reliability towards Georgian medical service is characterized by a stable trend from the foreign patients every year (table 1).

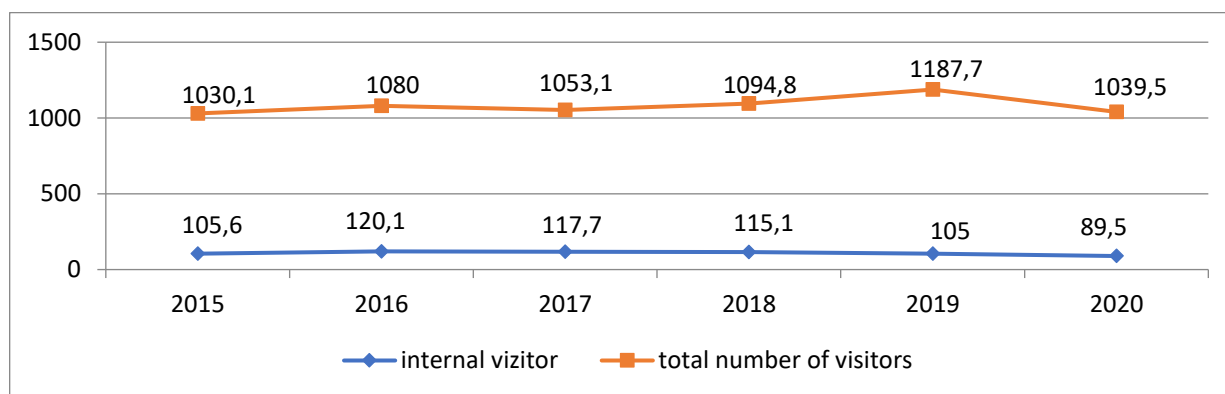
Table 1. Distribution of average monthly numbers of visits, carried out on the territory of Georgia by the international visitors according to the purpose of visit

| Purpose/year of the visit                 | 2015         |      | 2016         |      | 2017         |      | 2018         |      | 2019–2020    |      |
|---|--------------|------|--------------|------|--------------|------|--------------|------|--------------|------|
|   | thousa<br>nd | %    | thousa<br>nd | %    | thousa<br>nd | %    | thousa<br>nd | %    | thousan<br>d | %    |
| Vacation,<br>entertainment,<br>recreation | 137,3        | 31,4 | 152,2        | 33,9 | 203,9        | 37,7 | 256,3        | 42,7 | 119,1        | 31,9 |
| Visiting friends /<br>relatives           | 103,1        | 23,5 | 104,5        | 23,2 | 120,2        | 22,2 | 121,9        | 20,3 | 90,3         | 24,2 |
| Healts and Medical<br>Care                | 18,7         | 4,3  | 17,1         | 3,8  | 14,6         | 2,7  | 16,4         | 2,7  | 9,6          | 2,6  |
| shopping                                  | 41,5         | 9,5  | 42,2         | 9,4  | 51,6         | 9,5  | 41,5         | 6,9  | 27,1         | 7,2  |
| Transit to cross<br>another country       | 82,9         | 18,9 | 82,0         | 18,2 | 97,8         | 18,1 | 99,1         | 16,5 | 61,9         | 16,6 |
| Professional/econo<br>mic activity        | 47,4         | 10,8 | 45,5         | 10,1 | 44,3         | 8,2  | 52,0         | 8,7  | 49,0         | 13,1 |
| other                                     | 7,1          | 1,6  | 6,0          | 1,3  | 7,8          | 1,4  | 13,0         | 2,2  | 16,6         | 4,4  |
| total                                     | 438,0        | 100  | 449,4        | 100  | 540,2        | 100  | 600,3        | 100  | 373,5        | 100  |

Source: it`s been drawn up based on the data of National Statistics Office of Georgia.

The situation is relatively better in terms of travelling for treatment and improvement by the domestic visitors. In 2015-2016, the trend varies within the range 8-11%. In 2020 year, a number of travelling with the mentioned purpose fell till 8,6%, what is related to the pandemic and the restrictions, imposed due to it.

**Diagram 1. Distribution of average monthly numbers of visits, carried out on the territory of Georgia by the local visitors for the purpose of treatment-improvement, thousand.**



Source: it`s been drawn up based on the data of National Statistics Office of Georgia.

It should be noted that, there are world famous medical & health resorts in Georgia, which are used to treat various diseases. Among them are: Borjomi, Bakuriani, Beshumi, Kobuleti, Tskaltubo, Ureki, Shovi, Abastumani, Gudauri and others. For instance, Tskaltubo is versatile resort and its springs cure up to 60 diseases. “Borjomi” is incomparable resort, the healing properties of which are still known from the time of Tsarist Russia and etc. [4].

We think that the potential of medical and recreational tourism is not properly used in Georgia. As a rule, the success of medical tourism is determined by the country`s position towards to, state strategy for the development of state health programs and medical tourism, the existence of operating medical centers, which comply with the ISO standard or have JCI accreditation, also medical tourists entry and exit conditions in the country.

The development of medical tourism is greatly depended on marketing programs and its accompanying services, by which the patient is helped to choose the place of treatment, contact with the future doctor and prepare documents. There are too many clients, who trust the recommendations of medical agent.

From our point of view, the contributing factors for the development of medical tourism are:

- State and private investments in healthcare sector; contemporary arrangement of the medical centers, which will have international accreditation;
- Optimal compatibility between price and quality of medical service;
- Offer the low prices to the customers compares with other countries;
- Political and social stability of the country;
- Modern developed tourism infrastructure;
- A justifiable reputation of the quality of medical service;
- Successful use of the modern best practice and technology;
- Experienced medical staff, trained with modern standard, who knows linguist skills and have the relevant service training.

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