

7 Economic Recovery and Policy Adjustments

After reading this chapter, you should be able to:

- Analyse the socioeconomic impacts of global crises, particularly COVID-19, on the tourism sector, with attention to employment, community well-being, and regional disparities.
- Evaluate the effectiveness of various government incentive schemes (e.g., fiscal aid, wage subsidies, tax relief) in supporting tourism sector recovery across different national contexts.
- Compare policy responses across historical tourism crises (e.g., SARS, 2008 financial crisis, COVID-19) to identify patterns, gaps, and innovations in governance.
- Apply the principles of flexible and adaptive policymaking to design tourism responses that address uncertainty, health risks, and consumer behaviour.
- Critically assess the role of resilience, equity, and sustainability in shaping long-term tourism recovery strategies at national and international levels.

Introduction

This chapter will explore the policy responses adopted by governments to help support the recovery of the tourism sector in the wake of major global crises, with particular emphasis on the COVID-19 pandemic. It will begin by outlining the economic and structural challenges faced by tourism during prolonged disruptions, while also highlighting the vital role of coordinated policy interventions. This chapter will then examine the socioeconomic impacts of such crises on employment, local communities, and vulnerable groups, revealing the stark inequalities between high-income and developing economies. Subsequent sections will then focus on the range of government incentives used to spur recovery,