

THE TOURISM SYSTEM AND ECONOMIC GROETH. ELEMENTS AND FACTORS

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Abstract: *The results of economic activities become visible through a complex process in which the entire economic system takes part. This process is commonly known as “economic growth” and many specialists consider it to be the sole factor to ensure long term national economic success.*

The specialized literature mentions a series of concepts which all lead to a single possible conclusion: that economic growth refers to a temporally durable enhancement of macroeconomic results as a result of the increase and efficient use of production factors. Economic growth is concretely observable in the increase of the GNP, GIP and NNP, both per total and per inhabitant, including the structure changes of the respective economy.

The paper presents the main involved factors in the process of economic growth with their quantitative and qualitative aspects.

Key words: economic growth, tourism, touristy market, indicators’ system, structural mutation

Major economic theories

Two major theories regarding economic growth were formulated over the years: The Old Theory and the New Theory, whose defining elements are presented in figure 1.

Classics and neo-classics regarded economic growth from the point of view of individual autonomous agents, up until 1930 when the macroeconomic analysis replaced the microeconomic one.

American economist Kuznets S. sees the concept of economic growth as an “enhancement of a country’s ability to increasingly supply economic goods; this ability is based on top technologies and on institutional and ideological adaptations”.

French economist Perroux Fr. deems economic growth to be “an enhancement in the dimensions of national economy expressed in the total amount of goods and services obtained over a period of time, including the time of depreciation. If the quantitative progress is obtained short-term, this constitutes an expansion, and if it is obtained long-term, this constitutes an economic growth”.

Another American economist, Rudiger Dornbusch, puts forth the issue of economic growth in the following light: “By rate of economic growth we understand the increase rate of the gross national product. Whenever we refer to increase or to the increase rate, without adding any qualifying word, we mean the increase rate of the real gross national product”.

The characteristics of the more recent economic theory can be formulated as follows:

- it encompasses a set of concepts with a strong degree of applicability and it is part of political economy, whose major feature is operability;
- it exhibits a high degree of formalization in its field of study; this formalization is based on a system of synthetic economic indicators and on specific models;
- it combines the theoretical and applicative activities of many fields, such as: economics, mathematics, cybernetics, statistics, the general theory of systems, and places itself at the interdisciplinary border between political economics and other disciplines both within and without the system of economic sciences.

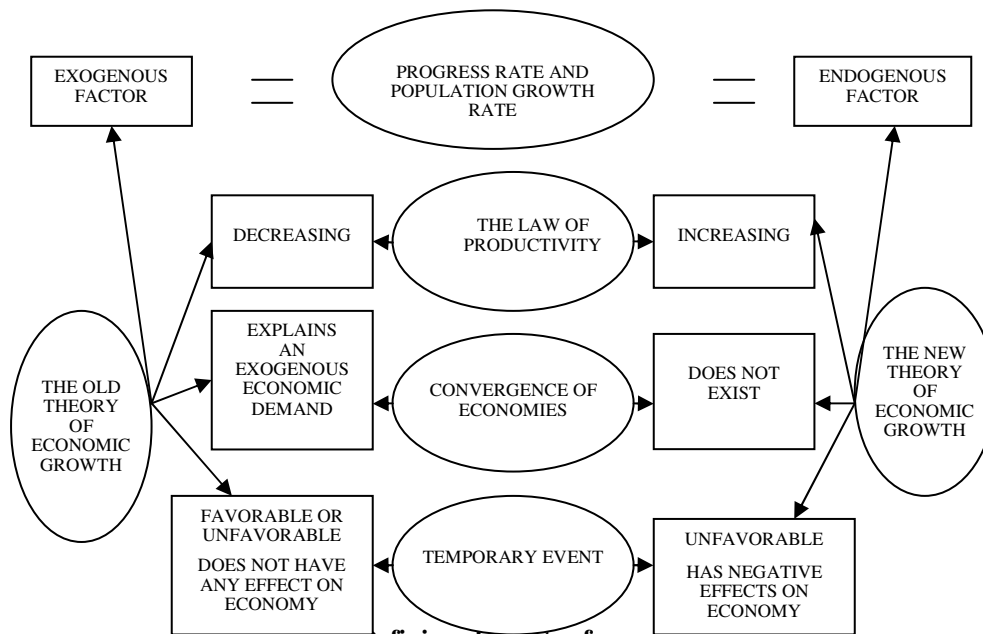


Figure 1 - Defining elements of economic growth

Factors

The main factors, function of the means of involvement in the process of economic growth, there are:

- Direct factors, including: the human factor (work resources), the material factor (material resources and the accumulated production equipment) and the informational-technological factor;
- Indirect factors: the rate of research-development investments, the state's financial-monetary, budgetary and fiscal policy, the internal market's absorption ability, the ecological policy, the international exchanges, etc.
- The involvement of **direct factors** occurs as follows:

The human factor

The Human factors contributes to the economic growth through:

- the increase of the work volume corresponding to the economic activity; in this case, the increase of the GIP is extensive;
- the increase in quality leading to the increase in productivity, which is an intensive one.

The material factor

The material resources, accumulated production equipments and components of the material factor are studied qualitatively and quantitatively as well as structurally. As to their contribution to the economic growth, we can underline the following aspects:

- The increase of the quantitative dimensions of the material factor is realized with the aid of capital goods investments and is limited;
- The increase of the qualitative dimensions of the material factor involve valuing the resources which, if harmoniously combined with the human factor, have a deeper effect;
- As a source of economic growth, the modification of the material factor's structure appears by creating new production capacities, changing the spatial repartition thereof or of the already existing technical endowment, as well as by modifying the relations between the human and the material factor, between the national and the foreign capital, or between the fixed and the circulating one, etc.

The informational-technological factor

This is considered to be a neo-factor; nevertheless, it plays the most important part in the process of economic growth. The main information supplier is the technological innovation which bears both an applicable finality and a measurable economic effect.

Quantitatively, a country's innovation potential is influenced primarily by the (private or public) resources allocated for research & development as well as for education.

Quantitatively, the economic growth is due to the informational-technological factor either directly, by increasing economic and research efficiency and by applying the results of the research, or indirectly, by

externalizing the effects resulted from applying the innovations. Over the years, two types of economic growth have been observed:

- **Extensive** economic growth, which is the result of the extension or increase of the factors attracted by the production process which have the most significant role in increasing the GNP, GIP and NNP;
- **Intensive** economic growth, which emerges as a result of the macroeconomic indicators' increase; it is supposed that it is achieved by effectively using the factors (thus, the qualitative side is emphasized).

According to quality, the following five types of the economic growth can be distinguished:

- *Negative economic growth* : the gradual decrease of the measuring indicative, which is synonymous to economic recession;
- *Stationary economic growth*: a null increase of the measuring indicator rate; also called replacement economic growth or zero growth;
- *Balanced economic growth*: a positive measuring indicator rate; the increase rates in different sectors or branches maintain constant relations;
- *Efficient economic growth*: positive increase rate and satisfactory degree of using a certain production factor;
- *Ideal economic growth*: positive economic growth; an optimization criterion is satisfied (either by maximization or by minimization) in certain restrictive circumstances which are explicitly formulated.

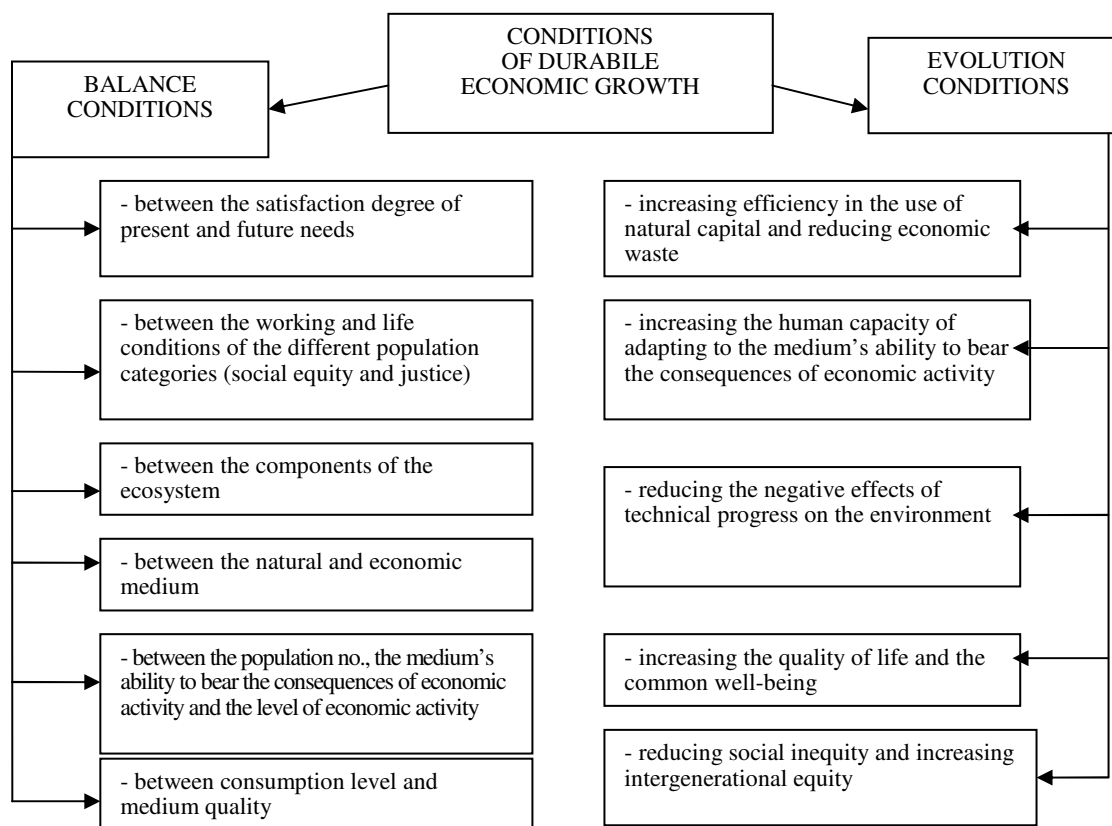


Figure 2 – The conditions of achieving the durable economic growth balance

The attempt to combine the influence factors so as to obtain a maximum efficiency per expense (effort) unit and simultaneously to protect the natural medium has led to the devise of economical-statistical-mathematical models which are very familiar in the field of economic growth.

The balance of durable economic growth focuses on each component individually as well as on the relations between these components, so that economic growth is achieved only if during the process the following **conditions** are met. This new concept does not focus on the causes of the process of economic growth but on its structural and qualitative consequences with respect to: the environment and the quality of life.

The environment

The main component of the environment is made up by natural resources. Evaluating these resources is very important for satisfying the requirements of knowledge as well the practical present and future requirements which have become vital in the evolution of contemporary human society.

The extensive analysis of these resources can be approached from various different angles, among which: the requirements of economic growth, the prospective potential offered by the environmental factors, the scientific and technological progresses and the demographic evolution which all influence the growth and extraction rhythm but also the rhythms of substitution, specific consumption reduction, etc.

Thus we are faced with the necessity of analyzing a large amount of data and information that must be channeled towards the main objectives, which are:

- characterizing the evolution of the quantity of waste resulted from the production and consumption processes and characterizing the increase in the degree of noxiousness of these wastes on the environment (environmental and ecosystem factors) with negative influences on the economic and social life; constructing and using an economic bridge to protect the environmental factors and to eliminate pollution;
- describing, as accurately and completely as possible, the material fluxes within the socio-economic processes and thus requiring a focus on the environment both as a natural resources generator and as a waste receptor with limited capacity of self-cleansing and of environmental factors regeneration;
- highlighting and supervising the tendencies regarding the long-term evolution of the resource demands, of geological discoveries and of the existing resources on Earth, grouped into regions and countries; taking into account factors of counterbalancing the increase in the resource demand (specific consumption reduction, use of substitutes, recycling raw material, extending the durability of products, changing consumers' behavior towards managing resources).

Economists are also very interested in the relation *man – natural environment*, with its double determination:

- quantitative: resource efficiency and durability; contradiction between the needs of resources and resource dimensions as they are found in nature;
- qualitative: disturbing the ecologic equilibrium by pollution; contradiction between human actions which cause waste and residue (production, repartition, circulation and consumption) and the possibilities of assimilation held by the environment.

The quality of life

Economic growth and the quality of life are two concepts whose components influence each other. Thus, ensuring a quality of life at a higher standard determines an adequate economic growth and development. The process of economic growth with all its effects leads to an increase of the population's income, of the consumption of goods and services, which ensures the satisfaction of demand at high rates, the increase of the degree of education and civilization, and the increase of the protection and security means – in short, it is an increase in the quality of life.

The relation of interdependence between the two phenomena is not absolute because not every economic growth implicitly leads to an increased quality of life and vice versa. An economic growth is not at all times a human growth, as some economic activities do not have a direct and immediate influence on the quality of life. Moreover, it is only in specific socio-cultural contexts that the quality of life positively influences economic growth.

Regarded as any society's progress mechanism, the quality of life is a system whose components function in two directions: from part to whole and from whole to part, which involves a responsibility for everyone, as an individual and as a member of society alike.

The practical directions where the quality of life is manifest are correlated with the fields defined in the concept, as follows:

- the livings standards that they would like to keep or to improve by providing minimum wages, an actual legislation;
- labour conditions for which the set target is providing a work place for every individual, function of professional training and society's opportunities;
- covering health care, educational, spiritual needs through customized health care, education, culture and leisure services;
- completing the coverage of material and spiritual needs through imports;
- protecting socially challenged groups, especially broken family children, underprivileged children, elderly people with very low retirement benefits, youth start-ups, newly married people, undergraduates, unemployed people, etc.

An increased quality of life can only be secured through a sustained, ongoing and simultaneous heightening of quality in all life fields: individual, natural environment, work place, family life, family quality time, social participation health states, etc.

An individual's health state is a tightly correlated component with the individual's income, life style, work place, health care services, environmental pollution, and with biological factors. Therefore, the factors influencing health can be laid out as follows, in figure 3:

Tourism ranks at mid-level between the individual health state and its influencing factors. This level allows it to act both ways, thus assigning it a significant part in life quality structure and, implicitly, in economic growth.

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