

## ASPECTS REGARDING THE EVOLUTION OF TOURISM IN TERMS OF REGIONAL DEVELOPMENT IN THE NORTH-EAST REGION OF ROMANIA

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*The European Union regions are medium length territorial units created with the purpose of absorbing efficiently the funds from the European Union for regional development and also for interpreting and examining the regional statistics. Our work intends to observe aspects referring to the evolution of the tourism in regional view, focusing on the North-East region compared to the other regions. The tourism indicators had a negative evolution after 1990, some progresses have been recorded in the latest years. The tourism in regional view is supported by the Regional Operational Plan, through which, in the period 2007-2013 the firms can access financings for the sector development. In this Plan, which has 5 axes, one of them concerns the tourism and has some specific objectives. The tourism can lead to a general regional development of the regions by stimulating the economic activities connected to it.*

*Key words: regionalization, regional development policies, tourism, North-East development region of Romania, Regional Operational Programme*

*JEL Classification: R58,L83*

### 1. Introduction

This paper begins with a short presentation of some aspects regarding the regionalization and the regional development in the European Union. Next, we analyze the evolution of the tourism in the North-East region as compared to the other regions of Romania, based on certain indicators, and finally we draw some tourism development perspectives offered by the regional development policies of E.U.

### 2. Aspects regarding the regional development in the E.U.

Considering necessary some considerations about the frame in which we will develop the tourism activity subject – the regional one – we will succinctly synthesize some aspects concerning regions, regional development and the role of tourism in the regional development policy.

The *region* concept appeared at geographers at the beginning of the twenty century, and nowadays there are some accepted definitions that can be found in the economic literature. Various senses can be assigned to the term *region*. So, one can consider that the *region*<sup>272</sup> has a *material component*, the territorial cutting, on which the *relational component* is projected, they being in a permanent association.

The definition adopted by The Europe Regions Meeting in The Statement on Regionalism in Europe in 1996 considers the *region* as being *the territorial public entity corresponding to the very next level below the state and endowed with a government that has its own political powers*<sup>273</sup>.

There is no definition to contain all the aspects that characterize a region. Common to all

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272 Pușcașu Violeta – Dezvoltarea regională, Ed. Economică, 2000, p.10.

273 \*\*\* Declarația asupra Regionalismului în Europa, Adunarea Regiunilor Europei, 1996, art. 1.

definitions given to the region is the idea of space as entity, so the most significant statement that can be made about it, is that it represents *a unit, which includes a limited number of zones, of medium size and territorially adjacent*.

Regarding E.U., medium size territorial units called regions have been created here, which besides the role of interpret and research regional statistics, they also have the purpose of efficiently absorb the E.U. funds for regional development. At present time, the actual tendency in the E.U. is the one of decisions decentralization.

Regionalization became in this way a common tendency of the territorial organization of European states evolution, besides the one of decisions decentralization, the regions being the responsible structures for institutional convergence ensuring of the E.U. member states. Although the regions apparition is not necessarily a consequence of the E.U. regional development policy, the high level of funds for the achievement of its general objective (obtaining economical and social cohesion) had an important contribution on regionalization.

*The regional development*<sup>274</sup> means not only the boost and the diversification of the economic activities, the private sector investments boost, the contribution at unemployment decrease and living improvement, but a whole environment of supporting and adaptation of the durable actions that converge with the competence domains of the region.

Since 1998 one can talk about regional development in Romania, too, which has as purpose, just like in the E.U., the development disparities reduction among the 8 regions of the country.

**The regional development policy** strengthens the role and the responsibilities of the local public administration and of the regional organisms in the economical and social development of each settlement and of the development regions, in the same time with the reduction of government institutions involvement in such activities. One of the objectives is the reduction of the economical and social disparities existing among diverse E.U. regions, focusing on the balanced development stimulation and the disadvantaged zones revitalization; is stimulates the economic growth and the SME sector development acting on some significant fields for development such as: transports, agriculture, urban development, environment protection, employment and professional training, education, chance equality, etc.

One of the ways which E.U. uses for the achievement of these objectives is the creation of *The Structural and Cohesion Funds* (especially The European Fund Regional Development), which are the financial instruments that E.U. uses to eliminate the economical and social disparities among regions, with the goal of economical and social cohesion achievement.

The policies and plans of regional development in the last years take into account more and more the tourist sector, as a strategic sector for providing a dynamic and durable economic growth, of certain regions with an important tourist potential.

### **3. The evolution of tourism in the North-East region compared to the other Romanian regions**

The durable regional development must necessarily correlate and integrate the tourism of Romania, among other local economic components taking into account that this clean industry does not affect the environment and does not imply big investments. A good project of lasting development, included in a program of regional development, supposes investments less expensive if the integration is harmoniously organized. The tourism may become an important component of economy capable of important mutations in the territorial profile, determining a social-economic growth of some poor regions, as that from the North- East.

The North-East region is one of the least developed areas from Romania. The tourism may determine a lasting regional development in the North-East part of Romania and the growth of

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274 Puscașu Violeta – Dezvoltarea regională, Editura Economică, București, 2000, p. 87.

the living standards, because the European Union's policy intends to eliminate differences among regions.

The tourism may contribute, more than other sectors, to the accomplishment of some larger objectives, established by governments as priorities for the general interest of the citizens: fighting against poverty, improving life standards, growing currency cashing, intensification of relations between countries, even politic objectives.

The development of the local tourism must be done with the local authorities' support, which have to take into account that, besides positive effects, the tourism generates a lot of negative effects, too. By a careful planning and an intelligent management, the benefits may be maximized and problems minimized. Thus, it may be realized a lasting development of the tourist sector by protecting environment and local culture.

Thus, in the period of 1991-2003, the existing accommodation capacity, expressed by the number of accommodation places, continued to fall down, and since 2003 it has increased, both at the national and at the North-East region levels (table no.1).

**Table no. 1. Accommodation existing capacity in development regions among 1991 - 2006**

- number of accommodation places -

Year	Total	North-East	South-East	South	South-West	West	North-West	Center	Bucharest
1991	312407	23321	146527	25955	22230	21036	24732	38600	10006
1996	288206	18814	134489	23641	17010	22028	26493	36513	9223
2001	277047	16971	132053	21321	15326	22298	25197	34648	9233
2002	272596	17269	130111	21456	14855	20190	24561	33823	10331
2003	273614	17965	130991	21729	15112	20713	24320	32759	10025
2004	275941	17183	130854	22494	13936	21066	24576	34365	11467
2005	282661	18718	132965	22292	14672	21291	26019	35479	11225
2006	287158	18968	134560	20827	14816	21423	26816	37025	12723

Source: Territorial statistics 2002, INS, Bucharest, p. 327-336; The Statistical Yearbook of Romania, INS, Bucharest, 2002, p. 784, 2003, p. 839, 2004, p. 713, 2005, p. 740, 2006, p. 740 and 2007, p. 758.

In terms of development regions, the areas with the highest number of accommodation places in 2006 were: the South-East followed by Center, North-West and West regions. We see that the South-east region has almost a half of the total accommodation places which exist at the national level.

Like the number of accommodation places, the index of plain utilization of the functioning capacities had also a descending evolution. This decreased at the national level from 1991 to 2005, when it reached 33,4%, but in 2006 it reached 33,6%. In the North-East region, the index is taking the general tendency of diminishing at the national level, but in 2006 it increases with almost 2%; it is the lowest index of all regions (table no. 2).

**Table no. 2. Indices of net using the capacity in function in regional view among 1991 - 2006**

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Year	Total	North-East	South-East	South	South-West	West	North-West	Center	Bucharest
1991	49,8	46,1	52,9	52,6	46,2	49,0	46,1	46,0	60,6
1996	40,7	35,9	47,2	45,1	43,8	33,7	32,0	38,9	43,5

<b>2001</b>	34,9	30,2	42,3	29,2	44,9	36,9	31,9	28,2	32,2
<b>2002</b>	34,0	28,9	38,2	27,1	45,0	39,1	32,8	28,8	31,9
<b>2003</b>	34,6	29,2	37,8	28,7	44,4	38,7	35,5	28,5	35,9
<b>2004</b>	34,3	29,5	39,2	27,7	44,5	35,9	33,2	29,4	35,3
<b>2005</b>	33,4	27,2	37,8	28,1	40,6	34,7	32,2	29,5	38,1
<b>2006</b>	33,6	28,9	36,8	30,5	38,8	36,3	32,1	29,5	38,0

Source: Territorial Statistics 2002, INS, Bucharest, p. 327 – 336. The Romanian Statistical Yearbook, INS, Bucharest, 2002, p.784, 2003, p.839, 2004, p.713, 2005, p.740, 2006, p.740 and 2007, p.758.

A descending tendency is noticed in the case of the “Passing the night” index, which has begun to increase, slowly however, since 2002 (table no. 3). This evolution is explained by the modest life conditions which made that the majority of Romanian people not be able to afford going on holydays. Also, the continuing decrease of the quality of the tourist services has made the wealthy people spend their holyday abroad.

**Table no. 3. Stayings overnight in the tourist units in regional view among 1991 - 2006**

Year	Total	-thousands-							
		North-East	South-East	South	South-West	West	North-West	Center	Bucharest
<b>1991</b>	31927,0	3064,0	9505,4	3512,0	2730,0	2936,8	3259,9	4659,3	2259,6
<b>1996</b>	21837,9	1894,9	7114,1	2207,3	1791,9	1892,0	2194,3	3337,7	1405,7
<b>2001</b>	18122,0	1406,0	5602,0	1759,0	1745,0	1933,0	2118,0	2591,0	968,0
<b>2002</b>	17277,0	1332,0	5214,0	1623,0	1691,0	1909,0	2132,0	2316,0	1060,0
<b>2003</b>	17845,0	1451,0	5154,0	1704,0	1643,0	2034,0	2251,0	2431,0	1177,0
<b>2004</b>	18501	1490	5397	1782	1648	1939	2221	2665	1359
<b>2005</b>	18373	1436	5139	1807	1602	1836	2290	2782	1481
<b>2006</b>	18992	1599	4854	1941	1641	2006	2363	2930	1658

Source: Territorial Statistics 2002, INS, Bucharest, p. 327 – 336. The Romanian Statistical Yearbook, INS, Bucharest, 2002, p. 784, 2003, p. 839, 2004, p. 713, 2005, p. 740, 2006, p. 740 and 2007, p. 758.

These indicators show that tourism activity had a decrease after 1990, but it has begun to slowly increase in the latest years.

#### **4. The tourism development perspectives in the North-East region offered by the regional development**

In the North-East region there is a tourist potential not fully exploited, and the tourism is one of those areas which do not require huge investments. For some projects resources from the European Funds can be obtained.

The tourism is able to contribute to the internal development of a region, to the reduction of the regional unbalances, to the geographical redistribution of the welfare from the metropolitan areas towards the poor, peripheral ones. Consequently, the tourism appears as a viable alternative of development of different regions.

The Regional Development Agencies (ADR) have an important role in the mechanism of regional development. ADR is a generator of economic and social development of the region, it elaborates and promotes strategies, attract resources, identifies and implements financing programmes and offers services for the stimulation of the durable economic growth, of the partnerships and entrepreneurship spirit.

Operational Programmes (PO) are a sectoral particularization of the investments to be made in various fields and are prepared by a ministry or a public institution responsible with the elaboration of several policies and are implemented by the Regional Development Agencies. The Regional Operational Programme (POR) 2007-2013 (Regio) is one of the Romanian Operational Programmes agreed with E.U., financed through The European Fund for Regional Development (FEDR), being a very important instrument for implementing The National Development Strategy and regional development strategies. FEDR supports the E.U. regions which have a GDP per inhabitant under 75% of European average. The Programme is accessible to all the 8 development regions of Romania. The strategic objective of Regio consists in supporting an economic, social, durable and territorial balanced development of all the regions of Romania, according to the specific needs and resources, focusing on supporting durable development of the increasing urban poles, the improvement of the business environment and the basis infrastructure, in order to made the Romanian regions, especially the low developed ones, attractive places for investments.

The total budget allocated through Regio is approximately of 4,4 billions euro in the first 7 years after accession (2007-2013). The E.U. financing is of approximately 84% of POR budget. The rest is from national funds, public co financing (14%) and private co financing (2%).

In order to prevent the economic and social disparities increase, already existing among regions, the ones low developed received higher funds; through this Programme, 724,09 millions Euro (16,32% of Regio funds) were allocated for *the North-East region*.

The fact that tourism is important and that it must know a better development in Romania, and of course in the North-East region, is demonstrated also by its presence in the frame of the Priority Axis 5 from the 6 ones of the Regional Operational Plan – Regio (POR). Next, we shortly present its content.

***The Priority Axis 5 from the POR is called The development and promotion of tourism.*** The Investments in tourism and culture will allow the development regions to use the advantages offered by their tourist potential and cultural heritage in identification and strengthening of own identity, in order to improve the competitive advantages in sectors with high added value and high qualitative and cognitive content, on the traditional markets, as well as on the new markets<sup>275</sup>.

The capitalization of the tourist attractions in certain zones of the country can contribute to the economic growth of some urban centers in decline, by favoring the apparition and development of local firms, transforming zones with low economic competitiveness into attractive ones for investors.

It is expected that the implementation of this Priority Axis of Regio, by improving the infrastructure in the tourist zones, the accommodation and entertainment services and by a sustained promotion of Romania on the national and international level, to determine a tourism demand increase for Romania, as European tourist destination.

The Priority Axis 5 has **3 major domains of intervention**<sup>276</sup>, which come to solve the problems that tourism has:

- 1. „The restoration and durable capitalization of the cultural heritage, as well as the creation /modernization of the related infrastructures”.**
- 2. „The creation, development, modernization of the tourism infrastructure for the capitalization of the natural resources and increase of tourist services”.**
- 3. „The promotion of the tourist potential and the creation of the necessary infrastructure, in order to increase the attractiveness of Romania as tourist destination”.**

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275 Programul Operational Regional 2007-2013, Ministerul Dezvoltării, Lucrărilor Publice și Locuințelor.

276 Idem.



The effects of the tourism development are not to be neglected. Thus, the development of tourism attracts the development of other related areas, too. The notion of effects of multiplication established by receipts/expenditures, in the tourism, becomes relevant as a considerable number of another branches benefit of activities from the tourist sector, the multiplier's value may be interpreted as a stimulus-answer report in the context of the initial injection of expenditures in the tourism area.

The tourist multiplier<sup>277</sup> underlines that an initial expenditure made by a tourist in a region or in a country, becomes successively income for another economic areas (agriculture, the processing industry, the industry of consumer goods, the construction and construction material industry, trade, services) related directly or indirectly to tourism until the moment when those financial resources leave the country, the reference zone or the economic sphere, generally under the form of tax payments, savings, (amavings), imports etc., called the leakages.

By attaining the targets of the tourism development we will reach the multiplying effect of this. The profitable effects will be noticed upon the level of the population's gains and upon other external areas of the tourist activity.

Even if the private structure is extremely active, the tourism cannot develop only through private initiatives, it also needs the support of the public institutions. The state can help in three directions: infrastructure, promotion and intelligent fiscal facilities.

## **5. Conclusions**

Analyzing some tourism indicators, in regional view, we observed that after 1990 the tourism had a descendent curve, but it has had a positive evolution in the latest years (the accommodation capacity has grown, the number of arrivals and of passing the night have grown too, only the index of utilization and the average duration of stay remaining at low levels).

The tourism can turn into an important factor of economic growth, determining the development of some economic activities connected with tourism. The North-East region possesses an important potential for developing the mountain, cultural or religious tourism.

A small growth has been noticed in the latest years of the tourism which is estimated to continue. Still, the tourism from this region is not developed at the existing potential level, and there are some problems such as an underdeveloped infrastructure.

The regional development policy through the Regional Operational Plan, supports in the period 2007-2013 the firms by the possibility of accessing financings for the sector development. In this Plan, which has 5 axes, one of them concerns the tourism and has some specific objectives that concern many of the problems that this field of activity faces at this time.

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