

TOURISM POTENTIAL AND THE DIMINISHING OF REGIONAL DISPARITIES IN ROMANIA

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In the specific case of Romania an important characteristic of its natural and cultural-historic patrimony is the relatively well-balanced territorial distribution that has a particular significance especially for the lagging regions, with other economic activities less developed. This paper proposes a statistical evaluation of tourism potential and results in connection with the investigation of the possibilities to contribute to the diminishing of regional disparities, both in national and European context.

Keywords: *tourism, multiplier effects, regional disparities, convergence.*

Introduction

Regional competitiveness represents a key issue in the current debates about European economic and social cohesion. As pointed out in a paper by Nijkamp (1997) and confirmed by the international experience, in an increasing regional competition there will be always winners and losers but “it is important to recognize the difference between absolute and relative winners (or losers)” (p.1). For many regional economies tourism can bring about an encouraging response to such a sensitive question considering its positive influence on regional employment and income; though, the magnitude of the regional multiplier varies in accordance with the characteristics of each region (and locality). Moreover, the multipliers are not simply region-specific but also project-specific (Armstrong and Taylor, 2000). Therefore a special attention must be paid to supporting those tourism projects able to generate the most important benefits to the region and their correlation with other economic and social activities within territorialised networks.

Based on these overall considerations this paper proposes a case study in Romania, pointing out the tourism potential and the possibilities to turn it to good account, so as to contribute to reducing regional disparities.

The current state and competitiveness of the tourist sector in Romania

The evaluation of Romania’s tourist patrimony relies on a comprehensive activity of *tourist zoning* that was first developed in 1975-1977 and then periodically updated. Considering tourism as a system at national scale it has aimed at establishing a model for evaluating, constructing a hierarchy and proposing the most suitable ways of turning the tourist patrimony to good account. Multiple criteria have been used in order to delimit the tourist zones and to propose the priority actions in each specific case. As a result, a wide range of tourist zones have been identified, some of them of a particular importance to the European and world’s natural and cultural heritage.

Thus, the *natural patrimony* includes the Delta of Danube as biosphere reservation, the Romanian shore of the Black Sea, the Romanian Carpathians, North Oltenia, Banat area, the Danube Valley, and so on. The most representative areas for the *cultural heritage* are North

Moldova (with monasteries and churches declared world's heritage by UNESCO), the medieval core of Brasov and Sibiu cities in Transilvania, the medieval fortress of Sighisoara – also in Transilvania (the only one still inhabited in Europe), Bucharest and its surroundings, the Greek, Dacian and Roman archeological sites in Dobrogea and Transilvania, the neolithic archeological sites in Moldova – most of them located in extremely attractive areas from natural beauty viewpoint as well.

More recently, the Spatial Planning of the National Territory (Ministry of Development, Public Works and Housing, 2006) has structured the zones of a major tourist potential into two categories, namely: (1) zones of a highly valuable and complex tourist potential (24% of the national territory), which includes national parks and biosphere reservations, protected national areas, cultural patrimony of national and international interest, museums and memorial houses, spa resources⁶⁵; (2) zones of a high tourist potential (34% of the national territory), with natural and cultural patrimony resources of especially national interest.

An important characteristic of Romania's natural and cultural-historic patrimony is its *relatively well-balanced territorial distribution* that has a *particular significance* especially for the *lagging regions*, with other economic activities less developed.

Based on its *potential contribution* to the general economic recovery, competitiveness and reduction of interregional disparities tourism is approached by all significant actors – population included – as one of the priority sectors of the Romanian economy. All governments after 1990 have included tourism development in their strategies, this interest being reflected by its privatisation prior to other sectors⁶⁶. *Though*, the results recorded in the last fifteen years are far *below the expectations*: the rate of tourism growth is under the economic growth rate and the contribution of tourism to GDP is pretty low (2.3% in 2005 according to the methodology of the National Institute of Statistics and 4.7% based on the data provided by WTO).

A study elaborated by the National Authority for Tourism in 2006 in order to underlie the 2007-2013 corresponding strategy, based on data and indicators employed by the WTO, World Bank, UN, etc. reveals that Romania is below the tourism competitiveness level recorded by other countries in Central and Eastern Europe (see comments in Regional Operational Programme, Ministry of Development, Public Works and Housing, 2007). Thus, in 2006 the tourism competitiveness index was 58.91% in Romania, compared to 78.44% in Hungary, 74.47% in Czech Republic, 68.57% in Bulgaria, 68.04% in Croatia, 66.03% in Poland and 62.84% in Slovakia. Only a few countries are below Romania: Ukraine, Serbia and Montenegro. Romania has a better position in terms of prices, the international openness to tourism and trade and social services.

One of the *main reasons* of this unsatisfactory overall image is the insufficiency and bad state of both general and tourism-specific *infrastructure*, unable to meet the requirements of a modern, internationally competitive tourism. *Other disfavours factors* in the last fifteen years have envisaged the rigidity of tourism administrative structures, the social instability, the poverty which the majority of population is confronted with, the deficient supply of food, fuel and other goods absolutely necessary to a proper tourism, the low managerial competence and tourism personnel's behaviour, the image of Romania abroad, various environmental damages.

Some of these drawbacks have been *partially alleviated* as a result of including tourism development as one of the priorities of the *National Development Plan* since 1999 (when the first plan was launched) and, consequently, of supporting it via national budget as well as EU pre-accession instruments (e.g. Phare). Nevertheless, current statistics and economic analyses still reveal results far below expectations.

65 One third of Europe's mineral and thermal waters are located in Romania.

66 Romania was severely criticized (especially during the '90s) by EU, IMF and other international organisations for the delays in privatisation process and institutional reforms.

In 2006 over 9 million Romanians traveled abroad for mainly tourist purposes, whereas the number of foreign visitors was approx. 6 million people, mainly for business purposes. If the tourist activity is strictly addressed via the number of tourists accommodated in tourist accommodation units, it decreased in 1995-2006 by approx. 12%. The decrease in the number of Romanian tourists was even sharper, of 23%. Even if the number of foreign tourists increased in the same period, it should be considered that in 2006 they represent only 22% of the total number of tourists accommodated in Romania⁶⁷.

The phenomena recorded on the domestic tourist market have been accompanied by the important increase in the number of Romanian tourists traveling abroad, especially after 2000. In 2005 this number was more than double compared with 2000. The decrease in the number of Romanian tourists, the relatively small number of foreign tourists visiting Romania, the big flow of Romanian tourists who prefer to spend their holiday abroad are all signs of a lower competitiveness of Romanian tourism.

The evolution of tourism activity at national and regional level confirms the important decrease since 1990 but also suggests a significant positive change of its trend after 2000 (Table 1). This tendency is correlated with the overall evolution of the Romanian economy, which has recorded an important economic growth after 2000 (annual growth rates above 5%).

Table 1. The evolution of the main indicators of tourism between 2000 and 2005

Region	Accommodation Capacity (AC) (nb.of beds)	AC 2005/2000 (%)	Stayings over night (thousand)	Stayings over night 2005/2000 (%)	Arrivals (thousand)	Arrivals 2005/2000 (%)
North-East	18718	+5.48	1436	-2.1	622	+14.5
South-East	132965	-0.83	5139	-5.7	1108	+13
South	22292	-0.62	1807	+3.8	574	+3.9
South-West	14672	-4.07	1601	+0.6	335	+2.1
West	21291	-2.06	1836	-2.2	535	-5.8
North-West	26019	+1.84	2290	+16.8	733	+31.3
Centre	35479	+0.7	2782	+8.6	1068	+23
Bucharest-Ilfov	11225	+41.56	1481	+48.7	831	+59.8
Romania	282661	+0.95	18373	+4.1	5805	+17.9

Source: Ministry of Development, Public Works and Housing, Regional Operational Programme, 2007, based on data from Statistical Yearbook of Romania.

It can be noticed that the accommodation capacity increased in 2005 compared with 2000, at the same time with the increase in the number of arrivals and stayings over night.

In 2005 the accommodation capacity reveals significant differences between regions⁶⁸: South-East region (where the Black Sea resorts are located) holds 47%, followed – at a big distance - by Centre (13%) and North-West (9%)⁶⁹.

67 Foreign tourists mostly come from neighbouring countries (Republic of Moldova, Turkey, Ukraine, Hungary). Romania also serves as transit country for tourists travelling to other destinations (Turkey, Greece, Bulgaria).

68 Romania has eight development regions, which are territorial units corresponding to the NUTS 2 level of the EU. Excepting Bucharest-Ilfov region (the capital city plus Ilfov county) each region includes four up to seven counties (administrative-territorial units corresponding to the NUTS 3 level).

By destination, the accommodation capacity is distributed as follows: 18% - Black Sea resorts, excepting Constanta; 29.7% - Bucharest and county residences (excepting Tulcea); 19.4% - spa resorts; 16.6% mountain resorts; 0.96% - Danube Delta (incl. Tulcea), 15% - other destinations. It is expected that the Black Sea and Danube Delta as well as Carpathians and Sub-Carpathian zones will continue to develop as tourist destinations. This tendency is supported by the big increase in the number of foreign tourists between 2000 and 2005, as follows: by 168.9% in Black Sea resorts; by 42.5% in spa resorts; by 28.2% in mountain resorts; by 398% in Danube Delta; by 54.9% in Bucharest and county residences.

By purpose of visit, 87.9% of Romanians travel for holidays, approximately 8% for health tourism and religious pilgrimages, and 5% for business and professional purposes. By tourist zone, 16.9% of tourists prefer mountain areas whereas 15% choose the seaside. Besides rest and leisure, spa tourism is also included in Romanian tourists' choices and tourism for business purposes displays an important growth tendency in recent years.

Approximately 83% of the accommodation beds are in less than 3-star units, most of them, namely 50% being ranked at 2-star level.

A *significant recovery* of the Romanian tourism has been noticed *since 2003*, after privatisation completion. The new owners of the existing tourist units initiated a complex investment process aiming to increase the convenience degree and service quality whereas the new tourist units have been all built and equipped at high quality standards. Of a large scope are private investments in agro-tourism, turning the local resources of rural areas to good account. As mentioned before, this tendency is correlated with the upward trend of the economic growth.

As far as the index of using the accommodation capacity in function is concerned, it decreased in the whole 1990-2005 period as a result of the decrease in the number of arrivals and stayings over night in the same period.

Though, the decrease was very small between 2000 and 2005 (moreover, two regions – Centre and North-West – recorded an increase), suggesting a change in the evolution for next years. In fact, the latest data released by the National Institute of Statistics for 2007 confirm this expectation, the mentioned index being 36%, that is by 3 percentage points higher than in 2005.

In this general context *considerable opportunities for niche tourism* have emerged, especially for rural tourism, adventure/sport tourism and cultural tourism, with a particular focus on cultural heritage tourism.

As highlighted by both experts and policy makers cultural tourism can bring about a significant contribution to expanding the scope of tourist sector in Romania, considering its cultural –historic and ethnographic-folklore patrimony, extremely valuable and of a great tourist attractiveness. There are over 700 patrimony objectives of international interest included by UNESCO within the world's patrimony, with many cultural and historic unicas (e.g. the monasteries of Bucovina (North Moldova), the Dacian fortresses in the Orastie Mountains, the inhabited medieval fortress of Sighisoara, the Brancoveanu-styled architectural monuments, the masterpieces of Brancusi, Grigorescu, Eminescu, Enescu). The ethnographic and folklore thesaurus is living and of a noteworthy originality, a considerable number of human communities still observing the old traditions and habits in their daily activities. The village-specific architecture, the wooden churches, the popular art in all its forms (including ceramics, popular costumes), traditional religious and ethno-cultural celebrations, fairs and exhibitions, open-air ethnographic museums are all relevant examples.

A recent proof of the international recognition of Romania's contribution to the Europe's cultural life and cultural-historic patrimony is the declaring of the city of Sibiu as the European Capital of Culture in 2007 (shared with Luxembourg) under the theme "City of Culture – City of Cultures".

69 In fact, if South-East region is left apart, the Gini index calculated taking into consideration the other seven regions indicates a clear tendency of diversification, that is a well-balanced distribution.

Indeed, Sibiu is a multicultural city, with different ethnic communities and a valuable historic – medieval centre of German architecture.

At present cultural tourism is supported by an accommodation capacity representing 13.2% of total capacity in Romania. The number of foreign tourists involved in cultural heritage and religious tourism increased in 2003 by 25% compared with 2002 and by 90% compared with 1999 (Ministry of Culture, 2005).

Like tourism in general, one of the major problems cultural tourism is still confronted with in Romania is the outdated and insufficient infrastructure, unable to offer proper access to architecture monuments, archeological sites, to meet the demand of parking lots, information points for cultural sites, belvedere points for defense walls, medieval fortresses, churches, monasteries, camping lots for pilgrims, etc. Also the connected facilities – hotels, motels, restaurants, gas stations, car rental firms – are still behind the demand.

Therefore many efforts should concentrate in the forthcoming years on infrastructure modernisation, marketing development, service quality improvement, sustainability so as to make cultural tourism and tourism in general able to have an important contribution to reducing intra and interregional disparities and increasing the overall economic development, in accordance with its major potential in Romania.

As previously mentioned, an important characteristic of Romania's natural and cultural-historic patrimony is its *relatively well-balanced territorial distribution* that has a *particular significance* especially for the *lagging regions*, with other economic activities less developed. For example, in the case of the North-East region tourism potential has a particular significance, considering the major contribution it can bring about to the economic recovery of this region, of the lowest development level among all NUTS 2 level regions of the EU. Moldova's geographical location, its landscapes and the nationally and internationally renowned historical and architectural landmarks make tourism represent one of the North-East region's greatest assets.

Conclusions

The cultural tourism projects can contribute to attracting new investments in a certain area, new job creation, urban area revitalisation, supporting community participation and thus to increasing regional competitiveness.

In the case of Romania, considering its important cultural and natural patrimony, cultural tourism and tourism in general could have a relevant contribution to economic recovery and to reducing intra and interregional disparities provided a series of correlated measures addressing a competitive specialisation profile, infrastructure improvement, sustainability, institutional capacity building, financial management and control are adopted and implemented.

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