

Dan-Marius VOICILAȘ*, Elisabeta ROȘU*

**Institute of Agricultural Economics, Romanian Academy, Bucharest, Romania*
Corresponding author – email: *betty_rosu@yahoo.com*

ROMANIAN TOURISM - POLICIES AND STRATEGIES FOR INCREASING COMPETITIVENESS

ABSTRACT

Romania has a high tourism potential, but the performances do not rise to the same level. Having in view the position of the Romanian tourism in the international competition, there is an urgent need for new strategies and specific policies for the rehabilitation of this branch, and this is one of the objectives of the present research. There were rehabilitation intentions in the years before, mainly after Romania's accession to the EU, but the results were not those expected. From these reasons, we would like to analyze the main factors that have influenced the evolution of Romanian tourism, the strategies and policies elaborated in the past, which are the main directions in tourism development and what kind of programs the Government must promote to increase the competitiveness of this sector.

We made a statistical analysis based on NIS and Eurostat official databases and a qualitative analysis of the main official documents elaborated by authorities in the field. The results will show us which are the determinants of the present competitiveness and which are the best strategies, policies and programs for the future.

Key words: tourism, competitiveness, policies and strategies, Romania

JEL Classification: L83, L88, R50

INTRODUCTION

Romania, with a total area of 238937 km², is located in South-Eastern Europe, on the lower Danube and in the north-western part of the Black Sea coast. The physical structure of relief is characterized by symmetry: 35% mountains, 35% hills and plateaux and 30% plains. Three natural elements define the Romanian landscape structure and territory: the Carpathians, the Danube and the Black Sea give it the Pontic-Danubian-Carpathian country status.

Romania's tourism potential has two main elements, namely the natural component and the anthropic component. The natural component consists of different relief units with spectacular landscapes, with favourable weather conditions and numerous natural therapeutic areas. The anthropic component includes historical, cultural and religious monuments, museums and valuable museum collections and original ethnography and folklore elements.

There are traditional tourism forms practised in Romania: *mountain tourism* – the mountain areas are suitable for active tourism forms: hiking, mountain climbing, mountain biking, horse riding, rafting, paragliding flight; *cultural and historical tourism*: due to the existence of cultural and historical monuments throughout Romania, both in the urban and rural areas; *ecumenical tourism*: due to the presence of churches and monasteries, alongside with religion-based objectives (hermitages, cells, religious monuments, tombs of saints); *summer tourism* – due to the presence of the Danube Delta and the Black Sea and because the tourism activities in these areas are specific to the summer season; *balneary tourism*: due to the natural factors

existing on Romania's territory, from the mineral water or salty water springs, to therapeutic mud and salt mines, which led to the development of balneary resorts since ancient times; *rural tourism and ago-tourism*, which have significantly developed recently.

STATE OF KNOWLEDGE

Tourism represents a "vital income and employment source" and "an important factor for increasing competitiveness" (Nicula, V., et al, 2013, p.531).

In the recent years, "Romania's tourism was affected by the lack of a general policy for the sector management and guidance" (Master Plan for National Tourism Development 2007-2026, part 1, p.1) and this can explain Romania's position in the latest report of the World Economic Forum (WEF).

WEF has published a report each year (The Travel & Tourism Competitiveness Report - TTCI), which measured the tourism competitiveness of 140 economies in the year 2019, alongside with the "factors and policies enabling the sustainable development of the tourism sector" (WEF, 2019, p. vii). The tourism competitiveness index "consists of 4 indices, 14 pillars and 90 individual indicators, distributed by the different pillars" (WEF, 2019, p.viii). Spain is the most performant country for the third year consecutively, followed by the next top countries in the ranking: France, Germany, Japan, the United States, the United Kingdom, Australia, Italy, Canada and Switzerland (WEF, 2019, p. xiii). In the year 2019, Romania ranked on the 56th position, down 4 positions compared to the previous year. Before Romania in the ranking we can find countries like Bulgaria (position 45) and Hungary (position 48), while Slovak Republic (position 60) and Montenegro (position 72) are next to Romania in the ranking.

Romania was clearly "outpaced by its direct competitor, Bulgaria, on all tourism markets". It can be noted that certain countries that rank before Romania do not benefit from "the opportunities provided by the sea shore" or delta, which can be "exploited from tourism point of view" (Croitoru, M., 2011, p.112).

MATERIAL AND METHOD

The paper analyzed a set of specific indicators for the tourism activity for the period 2000-2019, and the data for the statistical analysis were provided by the National Institute of Statistics and Eurostat. On the basis of representative indicators for the tourism industry, we calculated:

- Net use index of tourist accommodation capacity in operation, with the formula $I_n = (N/C_f) \times 100$, where N is the number of tourist overnight stays and C_f is the tourist accommodation capacity in use;

These indicators were analyzed for the total number of tourists who arrived in different areas of Romania and spent their time in the tourist accommodation structures.

To identify the relation between the number of tourist arrivals (x) and the number of tourist overnight stays (y) in the investigated period, we calculated the Pearson correlation coefficient; in order to measure the dependence between the two variables we determined the linear regression function, according to formula $y=ax+b$, where y is the dependent variable, and x is the independent variable.

A qualitative analysis of the official documents prepared by the authorities in the field was also made, to identify, on the one hand, the main influential factors for the development of the Romanian tourism, and on the other hand, the main development directions of this economic sector.

RESULTS AND DISCUSSIONS

Analysis of the main indicators

One of the main indicators of the tourism activity is represented by the number of tourist reception structures. Over the 20 investigated years, the number of tourist reception structures increased, higher 2.7 times in the year 2019 compared to 2000, mainly due to the spectacular increase (more than 7 times) of the number of tourist and agro-tourist boarding houses.

Table 1

Evolution of the main types of tourist reception structures

- number -							
Types of tourist reception structures	2000	2007	2010	2013	2015	2018	2019
Total	3121	4694	5222	6009	6821	8453	8402
Hotels	811	1075	1233	1429	1522	1616	1608
Tourist villas	801	708	768	621	643	695	709
Tourist and agro-tourist boarding houses	601	2028	2303	2933	3445	4530	4469
Other (motels, chalets, bungalows)	908	883	918	1026	1211	1612	1616

Source: authors' calculations based on NIS data, available at www.temponline

In the year 2000, out of the total number of tourist reception structures, the hotels accounted for 26%, touristic villas 25.7% and tourist and agro-tourist boarding houses 19.3%. In the year 2019, the situation radically changed, so that the tourist and agro-tourist boarding houses prevailed (53.2%), followed by hotels, with 19.2% and tourist villas, with 8.4% of the total number of tourist reception structures.

The increase in number of tourist and agro-tourist boarding houses was due to the utilization of pre-accession and structural funds, which were used to build such tourist reception structures.

Table 2

Tourist accommodation capacity and activity

	Tourist accommodation capacity				Tourist accommodation activity			
	Existing (places)	%	In operation (places-days)	%	Arrivals (no.)	%	Night stays (no.)	%
2000	280005	100.0	50197142	100.0	4920129	100.0	17646675	100.0
2007	283701	101.3	57137649	113.8	6971925	141.7	20593349	116.7
2010	311698	111.3	63808286	127.1	6072757	123.4	16051135	91.0
2013	305707	109.2	77676817	154.7	7943153	161.4	19362671	109.7
2016	328313	117.3	83323220	166.0	11002522	223.6	25440957	144.2
2018	353835	126.4	89075891	177.5	12905131	262.3	28644742	162.3
2019	356562	127.3	88789656	176.9	13374943	271.8	30086091	170.5

Source: authors' calculations based on NIS data, available at www.temponline

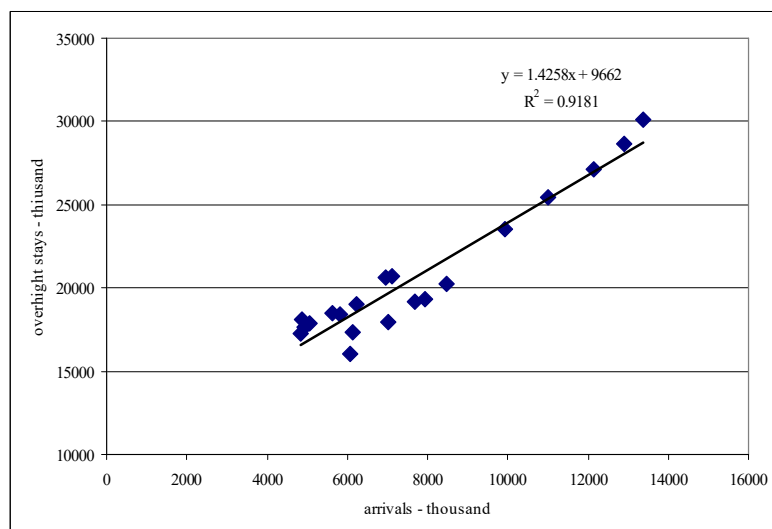
The increase in the number of tourist reception structures led to the increase the number of existing accommodation places¹ and mainly to a higher use of the tourist accommodation capacity in operation², which was by 76.9% higher in the year 2019 than in 2000.

In the investigated period, except for the year 2010, the tourist accommodation activity followed an increasing trend, so that in the year 2019 the number of Romanian and foreign tourists who arrived at various tourist destinations in Romania was higher by 171.8% than in the year 2000. The number of nights that these tourists spent in different tourist reception structures was by 70.5% higher in 2019 than in 2000.

To identify if there is a relationship between the number of tourist arrivals (expressed in thousand persons) and the number of overnight stays (expressed in thousand) in the investigated period, we calculated the Pearson correlation coefficient; to measure the dependence between the two variables we determined the linear regression function.

Graph 1

Correlation between the number of tourist arrivals and overnight stays in Romania, 2000-2019



Source: authors' calculations based on NIS data, available at www.temponline

The positive and high value of the Pearson correlation coefficient ($R = 0.958$) reveals that there is a high direct correlation between the two analyzed variables. The distribution of the cloud of dots in Graph 1 shows that there is a linear relationship between the two variables and that the dispersion diagram has the tendency to increase (and thus the regression line has an upward trend).

In conclusion, in the investigated period, there was a positive dependence between the two variables: the higher the number of arrived tourists, the higher the number of overnight stays in the tourist accommodation structures.

¹ The (installed) existing tourist accommodation capacity represents the number of accommodation places for tourist use inscribed in the latest reception document.

² The tourist accommodation capacity in operation is the number of accommodation places put at tourists' disposal by the tourist accommodation units.

The value of the coefficient of determination ($R^2=0.91$) shows that 91% of the variation of tourist overnight stays depends on the number of tourist arrivals in Romania in the investigated period.

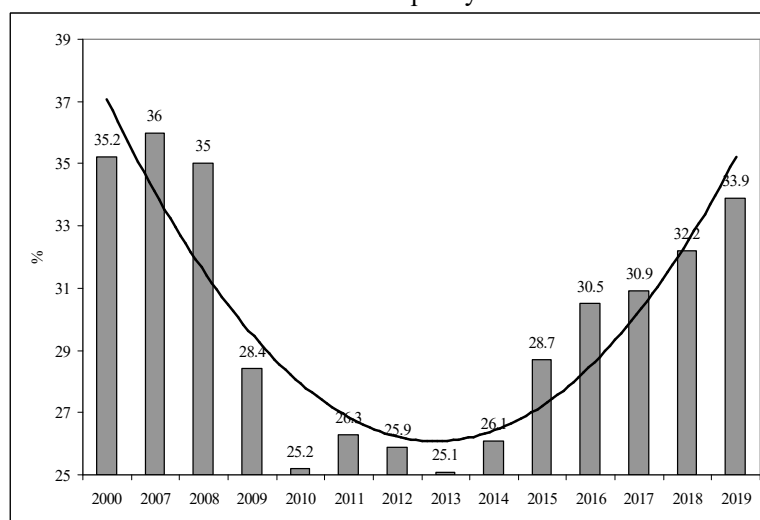
The x coefficient interpretation in the regression equation reveals that for each increase in the number of *Arrivals* (x), the number of *Overnight stays* (y) also increases by 1.42 units of measurement (thousand).

On the basis of two value indicators, i.e. the number of overnight stays and the tourist accommodation capacity in operation, we calculated the tourist capacity utilization index. This index, mostly expressive for the evaluation of the results of the activity carried out in the accommodation premises, reveals the percentage of the accommodation capacity at the disposal of tourists that was effectively used.

According to the Eurostat data, in the year 2019, the EU average was 57%, while the top countries were Cyprus (83.2%), Malta (69%), Spain (67.6%) and followed by Greece and Croatia (64.4%).

In Romania, this index reached a maximum value (36%) in the year 2007. Starting with the year 2009, as a result of the economic crisis that had chain reactions, starting with the decrease of population's incomes, which led to an obvious narrowing of the demand for tourism services, in Romania this index decreased sharply, to almost 25%. Not even in 2019, after more than 10 years since of onset of crisis, this index did not reach the value it had before the crisis.

Graph 2
Tourist accommodation capacity utilization index



Source: authors' calculations based on NIS data, available at www.temponline

The tourist reception structures that had a higher utilization degree in the investigated period were the hotels (with the usage index of the tourist accommodation capacity of over 41%) and the tourist and agro-tourist boarding houses (with a usage index of over 38%). The hotels and the tourist and agro-tourist boarding houses had a higher attraction for tourists, and the accommodation spaces provided by these were much more efficiently used.

Official documents and actions of authorities

Besides the above-mentioned factors, there are also some other factors that have influenced the present situation in the tourism industry. Here we must mention the environmental, as well as the political and administrative factors. We shall next focus on the political and administrative factors and analyze the main documents elaborated in the field, as well as their effects.

There are a number of strategic documents for the sustainable development of the tourism sector, among which the most relevant are: National Strategy for Romania's Sustainable Development 2030, Master Plan for National Tourism Development in Romania 2007-2026, in which two programs are included, one for Tourism Development of Salt Mines and another for the Development of Cave Tourism, alongside with the Master Plan for the Development of the Balneary Tourism and the National Strategy for Eco-Tourism Development in Romania – context, vision and objectives 2019-2029.

The main objectives of these programmatic documents are generally the following: sustainable tourism development, increased competitiveness and tourism activity by putting into value the natural and anthropic heritage and increasing the quality of tourism products and services, The main targets are: increasing the number of Romanian and foreign tourists, increasing the average length of stay and increasing the tourism sector turnover.

The main strategic directions of action specified in the official documents are: modernization of tourism infrastructure, development of tourism products, promoting tourism, human resource development in the tourism sector and support to sustainable tourism development.

At the same time, there are also some common measures to promote tourism in these documents, such as:

- development of a regional tourism brand and support to tourist destinations of local brands;
- supporting the development of campaigns to manage tourist destinations;
- organization of market research campaigns and substantiation of a regional strategy for marketing and tourism promotion and implementation;
- creation and promotion of integrated tourism products/programs;
- supporting the participation of regional and local actors to the domestic and world tourism fairs involved in this field;
- stimulating the development of region promoting projects under local, regional and national partnership;
- development of on-line platforms for promoting tourist destinations;
- creating applications for mobile technologies with information about tourist destinations.

In addition to the above-mentioned official documents, several international projects and programs have been carried out in recent years, some of them finalized, others underway, which support the development of tourism and contribute to increasing the competitiveness of this sector.

Among the finalized or underway projects, we can mention:

- EDEN, launched by the European Commission in 2006 to develop sustainable tourism, with the purpose of decongesting classical destinations, reducing seasonality, redirecting the tourist flows to non-traditional destinations

- ALECTOR, project co-financed under the “Black Sea Basin Joint Operational Programme 2007-2013” with the main objective to capitalize on the tangible and intangible heritage and to develop regional partnerships in the Black Sea area to create quality cross-border tourism products
- Cultural Routes on the Lower and Middle Danube (2012-2015), co-financed by the European Commission, having as main objective the diversification of the European tourism offers and increasing the visibility of the Lower Danube area as attractive and sustainable destination
- Danube Ecotourism – Cross-border ecotourism in the Danube region (2016), financed through “START – Danube Region Project Fund”, EU Strategy Fund for the Danube Region to promote culture and tourism
- DANUrB (DANube Urban Brand), a regional network building through tourism and education to strengthen the Danube cultural identity and solidarity (2017-2019), project funded through the Interreg Danube Transnational Programme
- Transdanube Pearls, a Network for Sustainable Mobility along the Danube (2017-2019), project funded through the Interreg Danube Transnational Programme, whose objective was to create a destination network to ensure sustainable mobility for tourists
- DanubEco – Danube Ecotourism (2017-2019), project funded through the INTERREG V–A Romania-Bulgaria Programme, aiming at increasing the civil society and public administration capacity to identify measures for ecotourism development
- Better administrative capacity – Better tourism development (2018-2020). The project is funded through the INTERREG V-A Romania-Bulgaria Programme, with the objective to increase the administrative capacity of districts and local administrations to better manage their funded projects.

These are only a few initiatives implemented at national and regional level, in cooperation with other European countries or institutions. However, the expected positive results have been minimum, out of several reasons. In the first place, we can identify the lack of continuity in implementing the international programs and projects. The programs are most often not continued after the end of the period for which they were designed. In the second place, there is no constancy in the development of programs and projects, the finalized projects not being replaced or supplemented by others, which respond to the trends in the field and to the new tourism consumption needs. In the third place, we consider that there is a lack of uniform application of strategies and programs at national level, which makes the same strategic document have different effects from one area to another, or it is totally lacking in the policies of certain regions. These are only part of the problems identified by us for the poor practical results of the projects and programs carried out in Romania so far.

Our proposals to improve the tourism development strategy

In the above-mentioned official documents, a series of tourism products that have to be developed are listed: cultural tours, city-breaks, health and welfare, active tourism, ecotourism, events and festivals, business tourism and conference organization, gastronomy and wine tourism. We consider that these are clear and

welcome products, which correspond to the current consumption trends of tourists. However, many of these remain only mere statements of facts, without being implemented in practice. As the vice-president of the National Association of Travel Agencies in Romania (ANAT) declared for wall-street in the year 2019, Romania became the country of strategies, and this is the situation not only in the tourism sector. Without these strategies having practical and logical continuity over time, they will represent nothing, but budgetary money wasted on studies and analyses. In our opinion, some of the above-mentioned tourism products should be developed in particular: city-breaks, ecotourism and festivals, or gastronomy and wine tourism. These are the new trends worldwide, and at the same time they are well suited to the Romanian tourists' preferences. The foreign tourists would be also attracted by such tourism products, either by those who have already used them and appreciated them, or by those who have not experimented them yet, but are curious to do it.

Infrastructure has an important role in implementing these strategies, the ministerial programs and tourism products. Of course, this does not meet the current needs, being an eternal problem for Romania. In the absence of proper infrastructure, tourists would not benefit from tourism offers, or it will be difficult to use them, with great financial and physical efforts from their part, which are discouraging. Out of this reason, it is necessary that all Romania's development strategies, regardless the field of activity or the economic sector, should mention infrastructure development, and the concrete measures to be implemented through connected inter-ministerial actions. In reality, this has not happened in Romania, and this is one of the main reasons of the underdevelopment of many economic branches, not only of tourism.

Another factor with negative influences on tourism that was often signalled out by the practitioners in this field was the lack of constant dialogue between authorities and the business environment, at the moments when development strategies were developed, or national tourism programs were created. It is obviously difficult to assume that a certain ministerial initiative will be successful in practice if those who are effectively active in the respective field are not consulted. It is mainly the private sector that can provide viable solutions in the construction of national strategies, or tourism programs.

In addition to the tourism products mentioned above, we propose that the local and central authorities should pool their efforts together, in a coordinated manner, for the achievement, development and promotion of local brands that will attract tourists. This involves identifying the tourism objectives specific to a particular area, what is unique in the respective area and would be of interest for tourists. We exclude the agri-food products from this category. Here we want to refer to any (anthropic or natural) object that can be found in a particular area and not elsewhere. Here are some examples of local brands that became famous and attract a certain category of tourists. For instance, we shall next refer to trees, and we mention some trees that have already become famous nationwide: *Eminescu's Linden Tree*, the *Glorious Lonely Tree from Argeş* (tree with Facebook page with the most numerous views in this category, from the commune Lunca Corbului), the *Oak Tree from Mercheaşa*, the oldest oak tree in Romania, in Braşov county), the *Mulberry Tree from the commune Plopu* (the one that appears on Google maps, from Prahova county), the *Giant Fir Tree* (from the Cîndrel mountains, which has been proposed in the final of the contest "European Tree of the Year 2020", 500 years old) and many others. This may be a trivial example, but for the local economies these objectives can bring profit. In the cases

presented, the local authorities have got actively involved in protecting and promoting these objectives, by initiating projects that facilitate tourists' access and income gains.

Most often the authorities' documents propose only measures and products, but do not come with solutions or instruments that can contribute to reaching the proposed objectives. Among the instruments that have been proposed in the recent years for developing domestic tourism we would like to mention the "Holiday Vouchers". We consider that they have had beneficial effects on the tourism sector and boosted the increase of the tourist flow. The reported statistical data confirm this. There are certainly certain limitations of the positive effects, but these can be easily remediated by the rectification of the legal rules for their use, further details to be elaborated by the central authorities based on the findings in the field and the proposals of beneficiaries from the tourism sector. For instance, it has been noticed that these vouchers increase tourist prices if they are used in full season, due to the higher tourist accommodation demand. At the same time, it was noted that these vouchers are not necessarily needed in certain areas, because they already have notoriety among tourists. To encourage off-season tourism, as well as tourism in other areas of the country, changes should be made to the acts in force, namely, to clearly specify that these can be used only in certain areas and periods. It is a solution that we propose that could benefit all the operators in tourism, regardless of the area where they operate and the period of the year.

In the end, we would like to mention our proposals for the improvement of the tourism activity, which programs and actions we consider a priority. These are presented under the form of a priority list of ten points:

- 1) Inclusion of Romanian tourism products in the catalogues of major tour operators from Europe, USA, China-Japan;
- 2) Presentation of TV commercials on the main sports and news channels in the EU (Eurosport, Euronews);
- 3) Easy access to credits for investors;
- 4) Joint cross-border programs with Hungary, Serbia, Bulgaria, Republic of Moldova and Ukraine;
- 5) Investments and facilities in the mountain ski resorts;
- 6) Investments and facilities in spa resorts;
- 7) Integrated investments and facilities for the Danube Delta – Black Sea objective;
- 8) City-break programs in the main cities of the country;
- 9) Facilities for niche tourism (culinary, wine, creative, etc.)
- 10) Extension and redefinition of tourism through "Holiday vouchers".

CONCLUSIONS

Due to its natural conditions and unique landscapes, which add to the rich cultural, historical and religious heritage, folk traditions and customs, specific cuisine, Romania has a high tourism potential. There are a few factors that have influenced tourism development in the recent period, both positive and negative.

Among the positive factors, we can mention the following: utilization of pre-accession funds (SAPARD) and of structural funds, on the basis of which the number of tourist and agro-tourist boarding houses sharply increased, together with Romania's EU membership since 2007.

Among the negative factors, we can mention: the economic crisis that began in 2008, lack of proper infrastructure, successive and frequent changes of the legislation, increasing competitiveness of international tourism, lack of a complete vision on tourism sector development.

There is also a complex of positive and negative factors that influenced the Romanian tourism evolution: offered services and prices, tourist seasonality, changes in the behaviour of tourist consumers, etc.

It is obvious that the objectives proposed by authorities, as well as by entrepreneurs, cannot converge in the absence of continuous dialogue between these stakeholders. This is one of the conclusions that we reached following the analyses carried out and which was often invoked by the investors in this sector. The coordination of actions of different ministries with those of local authorities and the initiatives of private investors can speed up sector development and modernization. Last but not least, abandoning the practice of perpetual development of strategies, and implementing the existing ones through concrete programs, which should provide for specific and applicable measures and actions, based on the experience of national and international practitioners, doubled by tools to meet the needs of entrepreneurs, on the one hand, and of tourist, on the other hand.

We consider that the list of priorities that we have presented represents a set of winning solutions for this sector of the economy.

REFERENCES

1. Croitoru, M., (2011), *Indicele competitivitatii in turism – analiza empirica Romania vs Bulgaria*, în *Economie teoretică și aplicată*, vol.XVIII, no.9 (562), available at http://store.ectap.ro/articole/644_ro.pdf
2. Nicula V., Simona Spanu, Roxana Neagu, (2013) *Regional Tourism Development in Romania – Consistency with Policies and Strategies Developed at EU level*, *Procedia Economics and Finance* 6:530-541, available at https://www.researchgate.net/publication/275222857_Regional_Tourism_Development_in_Romania
3. *** European Commission, database available at <https://ec.europa.eu/eurostat/data/database>
4. *** National Institute of Statistics, database available at [www.temponline](http://www.temponline.ro)
5. *** Romania's Government, Romania's Sustainable Development Strategy 2030, <http://dezvoltaredurabila.gov.ro/web/wp-content/uploads/2018/12>
6. *** Romania's Government, Master Plan for national tourism development in Romania 2007-2026, http://turism.gov.ro/web/wp-content/uploads/2017/05/masterplan_partea1.pdf
7. *** Romania's Government, Master Plan for national tourism development in Romania 2007-2026, http://turism.gov.ro/web/wp-content/uploads/2017/05/masterplan_partea2.pdf
8. *** World Economic Forum, (2019), *The Travel & Tourism Competitiveness Report*, http://www3.weforum.org/docs/WEF_TTCR_2019.pdf
9. *** National Strategy for Eco-Tourism Development in Romania – context, vision and objectives 2019-2029, <http://agroromania.manager.ro/dbimg/files/strategia-ecoturism-2019-2019.pdf>