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**QUANTITATIVE AND QUALITATIVE DIMENSIONS
OF TOURISM CONTRIBUTION TO REGIONAL DEVELOPMENT
IN ROMANIA. THE CASE OF CULTURAL TOURISM¹**

***Abstract.** This paper proposes a case study on Romania's tourism potential and competitiveness aiming to explore its capacity to significantly contribute to the economic growth and to a well-balanced regional development. A special emphasis is put on the integration of tourism in a clearly defined regional profile, able to turn to good account the endogenous potential of each area. The role of niche tourist markets is also revealed, especially in connection with cultural and cultural heritage tourism. The results of such strategies and policies are addressed in terms of regional employment and income, from the perspective of multiplier effects generated by tourist projects at regional and local level. The quantitative analysis envisages the Travel and Tourism Competitiveness Index released by the World Economic Forum in 2007 as well as a series of data and indicators which characterize the tourist demand and supply provided by the official statistics.*

Key words: *tourism, cultural resources, regional development, multiplier effects, competitiveness index, demand and supply.*

JEL Classification: R110, R580, Q300

1. INTRODUCTION

For many regional economies tourism can offer effective solutions to the question of regional competitiveness and regional growth. As a niche market, cultural tourism responds at present to a growing demand, more and more travelers ranking arts, heritage and other cultural activities as one of the main reasons of traveling. This

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paper supports the idea that in order to be well integrated in the regional development policy the measures meant to improve the frame conditions for tourism development at regional and local level should constitute a coherent ‘package’, including economic, legal, institutional, infrastructure, cultural and social elements. It also highlights the current state of tourism development in Romania and its potential contribution to regional development, considering the relatively well-balanced distribution of tourist resources on the national territory.

2. CORRELATIONS BETWEEN TOURISM, CULTURAL RESOURCES AND REGIONAL DEVELOPMENT

The so-called “regional problem” represents a major concern for all regional strategies and policies, being reflected by the disparities in terms of unemployment rates, population density, infrastructure, environmental conditions, etc., many of them being directly or indirectly related to disparities in regional welfare levels.

For many regional economies tourism can bring about an encouraging response to the regional development considering its positive influence on regional employment and income. Thus, tourism generates jobs not only in its own sector but also – via indirect and induced effects – in connected sectors such as financial services, retailing and telecommunications. Tourism is an important source of new jobs in both large and small communities, representing a major industry in many regions, able to stimulate economic development and reduce economic disparities. Though, regional multipliers of tourism do not have the same magnitude in all regions: it varies in accordance with the economic, natural, social, cultural characteristics of each region (and locality). A region’s size and tourist attractiveness, its industry mix in terms of specialisation and concentration/diversification degree, its location, especially in relation to other local labour markets are likely to be important factors. Even more, the multipliers are not simply region-specific but also project-specific, a special attention being required in order to support those tourism projects able to generate the most important benefits to the region and to correlate them with other economic and social activities within the region (Armstrong and Taylor, 2000).

The integration of the measures meant to improve the frame conditions for tourism development within the regional development strategies, policies and plans implies the elaboration of a coherent ‘package’ including economic, legal, institutional, infrastructure, cultural and social elements, aiming to define a regional profile, stressing and taking advantage of the specific features of each local area (Funck and Kowalski, 1997).

In recent years niche markets have brought about a new perspective to approach this question. The niche markets like exclusive tourism, cultural tourism, health tourism, agro-tourism, adventure/sport tourism, education tourism, etc. aim to exploit the competitive advantages of specific market segments as a result of region’s efforts to support a tourism-based competitive specialization profile. Among tourism niche markets, cultural tourism has got a leading position, responding to a growing

demand: at present more and more travelers rank arts, heritage and other cultural activities as one of the main reasons for traveling. This is a result of social and cultural trends such as rising education levels, ageing population, increasing role of women. Recently, new trends have emerged, determining a further increase in the power of cultural tourism, such as the choice for short, get-away trips, the growing number of young tourists, the emphasis on meaning, the increasing expectations, the impact of the internet, the desire for sustainability of both more educated tourists and local communities (Lord, 1999).

Within cultural tourism, cultural heritage tourism is perceived as a particular component, which refers to "...traveling to experience places and activities that authentically represent the stories and people of the past and present. It includes historic, cultural and natural resources" (National Trust, 2006). Its main feature consists in being place-based, that creates a sense of place rooted in the specifics of local land, its people and its arte facts, stories, traditions, whereas in the case of cultural tourism – cultural heritage apart – there is less emphasis on space.

As far as cultural tourism is concerned, tourists' destination choices are made in accordance with region's performance, artistic, architecture, historical offerings; the inflow of visitors into a region generated by cultural tourism potential combined with important investments in infrastructure may have a relevant role on regional development, contributing to diminishing regional disparities. Regions which do not have access to other major resources or do not have major urban centres may be able to use cultural tourism (in particular, cultural heritage tourism) in order to increase employment and regional income. In a broader view, cultural heritage tourism may also encourage entrepreneurship and the development of new small businesses, particularly for people who might not have easy access to formal labour markets.

From a social and cultural perspective cultural tourism can improve the quality of life in an area by increasing the number of attractions, recreational opportunities and services. It also offers residents the opportunity to meet new people, experience different cultural practices, broaden horizons, increase the insight and appreciation for different approaches to living (Galdini, 2005).

On the other side, the interest of tourists in local culture and history provides opportunities to support the preservation of historical artifacts and architecture and, thus, to contribute to observing sustainable tourism principles.

3. THE CURRENT STATE OF THE TOURIST SECTOR AT NATIONAL AND REGIONAL LEVEL IN ROMANIA. A SPOTLIGHT ON CULTURAL TOURISM

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 Transylvania, the medieval fortress of Sighisoara – also in Transylvania (the only one still inhabited in Europe), Bucharest and its surroundings, the Greek, Dacian and Roman archeological sites in Dobrogea and Transylvania, 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 resources²; (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 privatization prior to other

² One third of Europe's mineral and thermal waters are located in Romania.

sectors³. 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).

According to the Travel and Tourism Competitiveness Index launched by the World Economic Forum in March 2007 is ranked the 76th among 124 countries, with a score of 3.91 on a scale from 1 to 7. With its three pillars referring to travel and tourism regulatory framework, business environment and infrastructure and human, cultural and natural resources, the index reveals relatively good results in terms of policy rules and regulations, price competitiveness in travel and tourism industry, human resources (education and training, workforce wellness), natural and cultural resources and quite poor results in terms of environmental regulation, air transport infrastructure, ICT infrastructure, availability of qualified labour. As a result, Romania is behind almost all former or current EU candidate countries such as Czech Republic, Slovakia, Hungary, Slovenia, Bulgaria, Poland, etc. and, respectively, Croatia, Turkey (Table 1).

**Table 1. Travel and Tourism Competitiveness Index (selection):
Romania's rank and score**

Rank	Country	Score
.....
35	Czech Republic	4.75
37	Slovakia	4.68
38	Croatia	4.66
40	Hungary	4.61
44	Slovenia	4.58
52	Turkey	4.31
54	Bulgaria	4.30
63	Poland	4.18
76	Romania	3.91

Source: www.wef.org

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 disfavoring factors in the last fifteen years have envisaged the rigidity of tourism

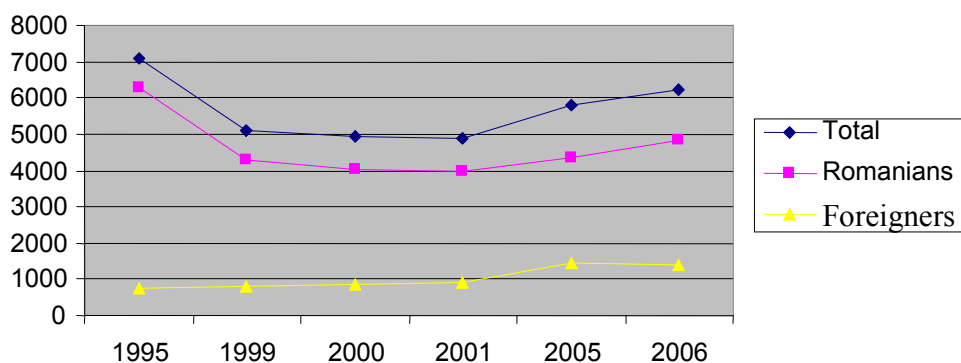
³ Romania was severely criticized (especially during the '90s) by EU, IMF and other international organizations for the delays in privatization process and institutional reforms.

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.

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 Romania⁴ (Figure 1).

Figure 1. The evolution of the number of tourists accommodated in tourist accommodation units



Source: authors' processing based on data provided by the *Statistical Yearbook of Romania*

⁴ Foreign tourists mostly come from neighbouring countries (Republic of Moldova, Turkey, Ukraine, Hungary). Romania also serves as transit country for tourists traveling to other destinations (Turkey, Greece, Bulgaria).

Quantitative and Qualitative Dimensions of Tourism Contribution to Regional

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 2). 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 2. The evolution of the main indicators of tourism between 2000 and 2005

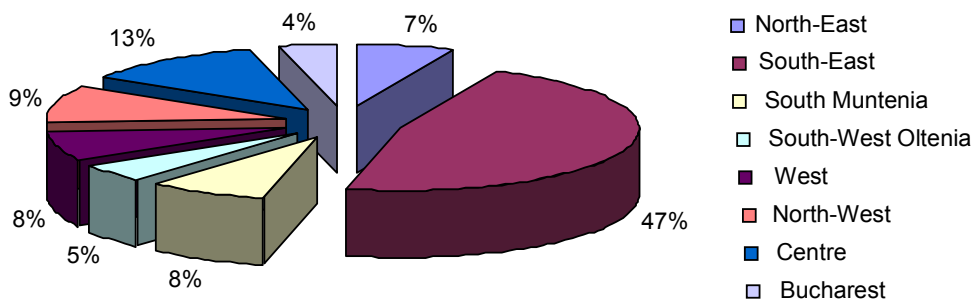
Region	Accommodation Capacity (AC) (nb.of beds)	AC 2005/2000 (%)	Stayings over night (thousand)	Stayings over night 2005/2000 (%)	Arrivals (thousand)	Arrivals 2005/2000 (%)
North-East	18718	+5.48	1436	-2.1	622	+14.5
South-East	132965	-0.83	5139	-5.7	1108	+13
South	22292	-0.62	1807	+3.8	574	+3.9
South-West	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 regions⁵: South-East region (where the Black Sea resorts are located) holds 47%, followed – at a big distance - by Centre (13%) and North-West (9%)⁶ (Figure 2).

Figure 2. The existing accommodation capacity (number of beds) in 2005



Source: authors' processing based on data provided by the Statistical Yearbook of Romania

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

⁵ 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).

⁶ 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.

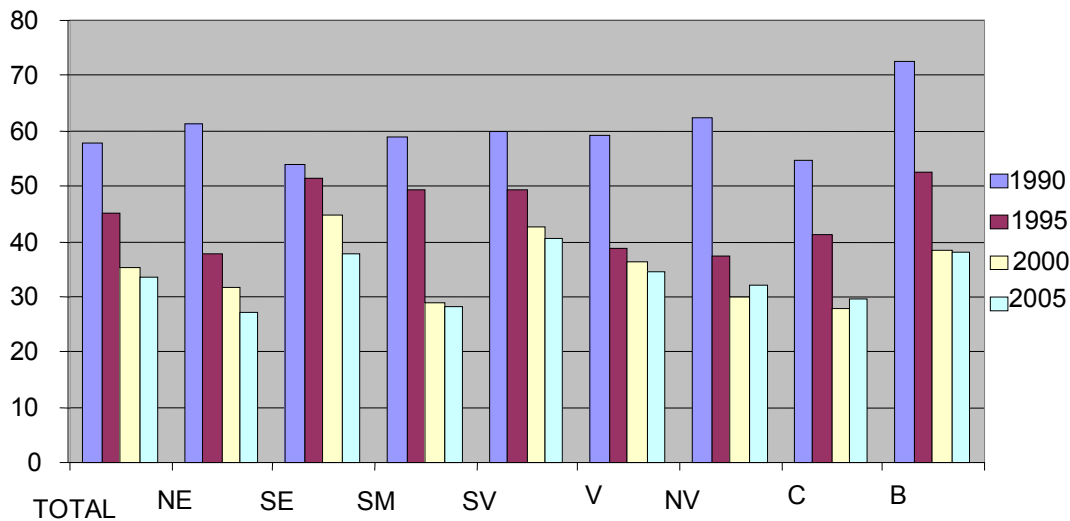
purposes. By tourist zone, 16.9% of tourists prefer mountain areas whereas 15% choose the seaside. Besides rest and leisure, spa tourism is also included in Romanian tourists' choices and tourism for business purposes displays an important growth tendency in recent years.

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 privatization 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 (Figure 3).

Figure 3. The index of using the accommodation capacity in function 1990-2005



Source: authors' processing based on data provided by the Statistical Yearbook of Romania

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". 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 modernization, 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.

Currently these efforts are closely related to the opportunities offered by various operational programmes elaborated in order to absorb the EU funds allocated for 2007-2013. They include – directly or indirectly – priorities and measures relating to tourism development, cultural tourism being paid a special attention. Even though there is no operational programme entirely devoted to tourism development, the Regional Operational Programme (ROP) contains as one of the basic priorities the sustainable development of regional and local tourism, with a share of 15% of total public expenditure (from European Regional Development Fund and state budget) (Ministry of Development, Public Works and Housing, 2007). This priority is based on measures focusing on: the restoration and sustainable use of cultural patrimony as well as the creation/development of related infrastructure; the creation/development/modernization of specific infrastructure for sustainable use of natural resources and the increase in the quality of tourist services; promotion of tourism potential and creating the infrastructure needed to raise Romania's attractiveness as tourist destination. A special role in the implementation phase has to be played by regional/local public administration, which is the most appropriate level for ensuring the necessary operational convergence between the national level and local communities, between various public and private stakeholders involved in defining and creating the tourist supply, with a special emphasis on sustainability aspects (Galdini, 2005). It has to adapt its view on tourism development so as to widen and enrich the traditional approach to regional economy, planning and sustainability based on a framework able to take into consideration and to integrate general economic policies, socio-economic development requirements and cultural challenges.

4. CONCLUDING REMARKS

At present cultural tourism responds to a growing demand, more and more travelers making destination choices directly related to a region's performance, artistic, architecture and historical offerings. The cultural tourism projects can contribute to attracting new investments in a certain area, new job creation, urban area revitalization, 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 specialization profile, infrastructure improvement, sustainability, institutional capacity building, financial management and control are adopted and implemented. They can be supported by the financial allocations from the EU funds via Regional Operational Programme. Though, a basic condition has to be met, namely a high absorption of these funds, accompanied by sound effects as a result of implementation.

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