

## THE ROLE OF TOURISM IN THE DEVELOPMENT OF LOCAL ECONOMY IN ROMANIA

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**Greco Alexandra**<sup>1,2</sup>

**Gruia Andreea Karina**<sup>1,2</sup>

**Simion Adrian**<sup>1,2</sup>

**Joița Oana-Elena**<sup>1,2</sup>

**Predescu Alisa**<sup>2</sup>

<sup>1</sup> University of Bucharest, Faculty of Geography, **Romania**

<sup>2</sup> Research Center for Integrated Analysis and Territorial Management (CAIMT), **Romania**

### ABSTRACT

The importance of tourism in the development of local economy is a major concern of decision-makers, as well as the scientific world, tourism making a significant contribution to the sustainable development of the local economy. The study aims to identify adaptive patterns of tourist resorts from Romania, in accordance with the Decision no. 107 of 2018 approving the attestation of some localities or parts of localities as tourist resorts of national or local interest. The methodology consists of a series of statistical data analyzes for a period of 17 years, 2000-2016, which contains, at the level of territorial administrative unit, the evolution of two economic indicators considered relevant to the study, turnover and profit. This database was used in cartographic representations, to show the share of tourism from the two above-mentioned economic indicators, reported over the last year of analysis, as well as for graphical representations. The results obtained from the analyzes show different reporting patterns in which all tourist resorts from Romania fall, depending on the share of tourism in the development of the local economy.

**Keywords:** tourist resorts, local economy, structural dynamics

### INTRODUCTION

Considered the largest industry in the world, a "driving force" of economic growth, of inclusive development and environmental sustainability [1], tourism represents more than one third of the total value of global trade in services [2].

Most regional tourism plans and policies are based on the idea that tourism is a development option that is desirable for communities [3], as it causes both direct and indirect, positive effects on the economy and the well-being of communities [4], [5], [6], [7], [8], [9], [10], [11]. In the latter part of the 20th century, tourism has become an important sector of economic activity and will continue to grow in the years to come, leading to a diversification of tourism products and destinations [12]. The benefits of tourism can fit on a large scale and can extend to benefits for the economy, social life for people living in destinations as well as personal benefits for tourists.

Considering the potential contribution of general economic recovery, tourism is approached as one of the priority sectors of the Romanian economy [13], [14]. which led to more and more complex scientific approaches to the role of this sector in the structural dynamics of the local economy.

The chosen approach allows to discover new elements regarding the role of tourism in the development of local economies in the tourist resorts from Romania and will also lead to the completion of the existing studies [15], [16], [17].

## **METHODOLOGY**

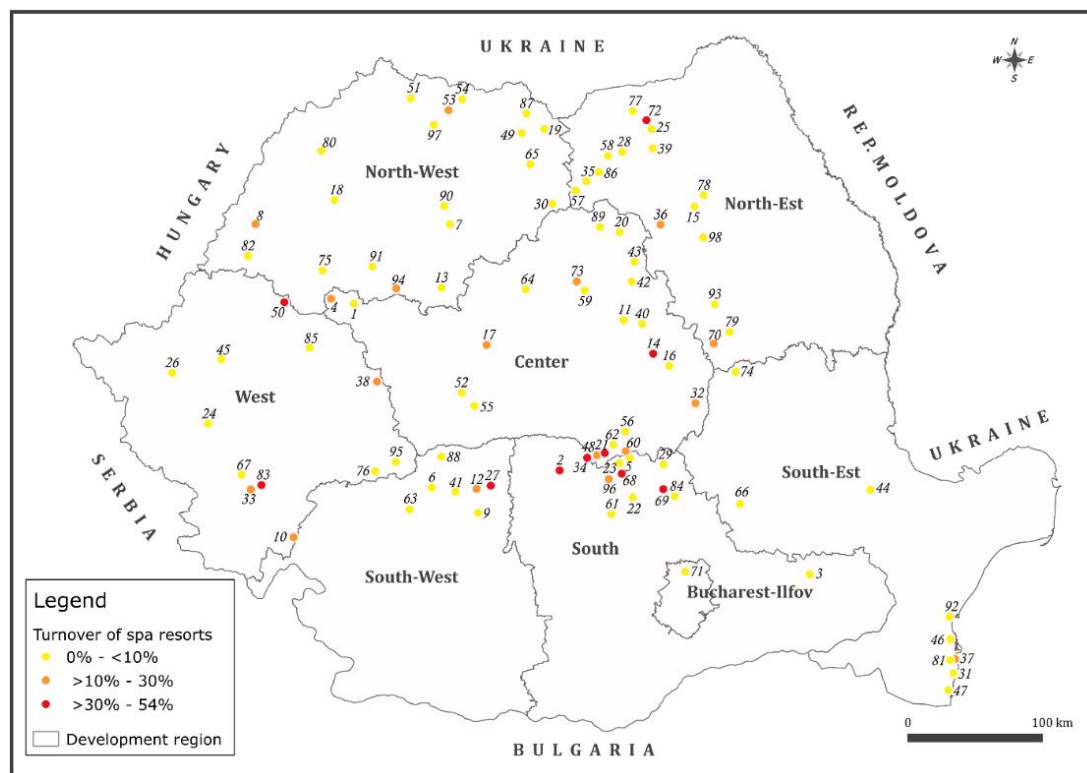
The study is based on the development of an economic database at the territorial administrative unit level, for the entire number of tourist resorts from Romania, for two economic indicators considered relevant to our study, turnover and profit. The next step was to create cartographic representations, both for the distribution of the share of turnover from tourism sector in the total turnover at the level of the resorts, and for the distribution of the share of profit from tourism sector in total profit, all being reported in the last year of the analysis, 2016. In addition to cartographic representations, graphic representations have also been made, to led to a better understanding of the distribution of the tourism share in tourist resorts.

It is worth mentioning that although there are 108 tourist resorts in Romania, according to the Decision no. 107 of 2018, in the cartographic representations that will be analyzed, there are only 98 resorts, because: Băile Felix and 1 Mai; Crivaia and Semenic; North Eforie and South Eforie; Mangalia, Cap Aurora, Jupiter, Neptun-Olimp, Saturn and Venus; Predeal, Pârâul Rece and Timișul de Sus, share the same territorial administrative unit.

## **RESULTS**

### **Distribution of the share of turnover from tourism sector from total turnover in tourist resorts from Romania.**

Turnover is considered to be a fundamental indicator of the volume of activity of a tourist resort, and is obviously always taken into account when evaluating a resort. At the level of tourist resorts from Romania, the share of tourism turnover in 2016 was divided into three main categories. In Fig. 1, that illustrate the distribution of this economic indicator in the tourism sector at the level of tourist resorts from Romania, there is a predominance of tourism systems that in 2016 had a share of turnover less than 10%. In these resorts, tourism is not the main activity and source of income, the tourist resources at their level are insufficient for their development, the vast majority relying on areas of activity such as retail trade, wholesale trade or land transport and pipeline transport. The second category is between 10% and 30% and is represented by those resorts where tourism is a complementary activity. Last category is where tourism has an important part in their economic activity, where the vast majority of revenues are based on the tourism sector. For a better understanding of the evolution of the turnover in the first year of our analysis, 2000, up to the year represented on the map, we produced a series of graphs divided into the three categories, with examples of resorts in each category.



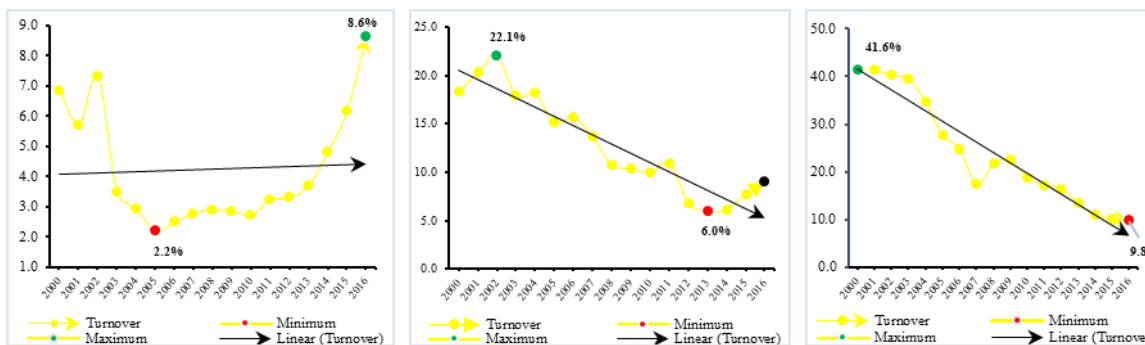
1. Albac, 2. Albeștii de Muscel, 3. Amara, 4. Arieșeni, 5. Azuga, 6. Baia de Fier, 7. Băile Băița, 8. Băile Felix/I Mai, 9. Băile Govora, 10. Băile Herculane, 11. Băile Homorod, 12. Băile Olănești, 13. Băile Turda, 14. Băile Tușnad, 15. Băltătești, 16. Balványos, 17. Bazna, 18. Boghiș, 19. Borșa, 20. Borsec, 21. Bran, 22. Breaza, 23. Bușteni, 24. Buziaș, 25. Cacica, 26. Calacea, 27. Călimănești-Căciulata, 28. Cămpulung-Moldovenesc, 29. Cheia, 30. Colibița, 31. Costinești, 32. Covasna, 33. Crivaia/Semenic, 34. Dâmbovicioara, 35. Dorna Candrenilor, 36. Durău, 37. Eforie (North and South), 38. Geoagiu-Băi, 39. Gura Humorului, 40. Harghita-Băi, 41. Horezu, 42. Izvorul Mureșului, 43. Lacul Roșu, 44. Lacul Sărat, 45. Lipova, 46. Mamaia, 47. Mangalia (Cap Aurora, Jupiter, Neptun-Olimp, Saturn, Venus), 48. Moieciu, 49. Moisei, 50. Moneasa, 51. Negrești-Oaș, 52. Ocna Sibiului, 53. Ocna Șugatag, 54. Oncești, 55. Păltiniș, 56. Poiana Brașov, 57. Poiana Stampei, 58. Pojorâta, 59. Praid, 60. Predeal/Pârâul Rece/Timișul de Sus, 61. Pucioasa, 62. Râșnov, 63. Săcelu, 64. Sângeorgiu de Mureș, 65. Sângeorz-Băi, 66. Sărata-Monteoru, 67. Secu, 68. Sinaia, 69. Slănic (Prahova), 70. Slănic Moldova, 71. Snagov, 72. Solca, 73. Sovata, 74. Soveja, 75. Stâna de Vale, 76. Straja, 77. Sucevița, 78. Târgu-Neamț, 79. Târgu-Ocna, 80. Tașnad, 81. Techirghiol, 82. Tinca, 83. Trei Ape, 84. Vălenii de Munte, 85. Vața de Jos, 86. Vatra Dornei, 87. Vișeu de Sus, 88. Voineasa, 89. Băile Banffy Area, 90. Băile Ocna Dej Area, 91. Fântânele Area, 92. Mamaia Area, 93. Moinești Băi Area, 94. Muntele Băișorii Area, 95. Parâng-Petroșani Area, 96. Peștera-Padina Area, 97. Șuior-Baia Sprie Area, 98. Tourist Area of Piatra-Neamț

**Figure 1.** Distribution of the share of turnover from tourist resorts from Romania in 2016

*a. The category between 0% - 10%*

The category with the lowest values of turnover in the tourism sector, between 0% and 10% (Fig. 2) is that where a large number of resorts fall, more exactly 71, and are largely concentrated in the North-West, North-East, Center and South-East of Romania. As examples of resorts of this category we have the Vișeu de Sus resort, which has seen a major increase since 2013 due to the areas of activity of hotels and other similar accommodation facilities and other services of booking and tourist assistance, Praid, where the share of this indicator in the tourism sector declined significantly from 2000 to 2016 and Costinești where the decrease in the turnover of its tourism sector was continuous throughout the analyzed period.

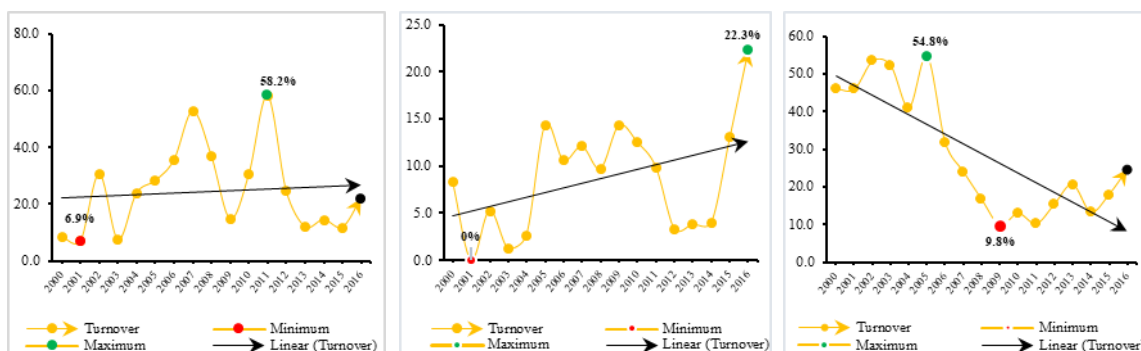
It should be mentioned that, in 2016, the number of 9 tourist resorts had the turnover in tourism equal to 0 (Băile Govora, Breaza, Poiana Stampei, Săcelu, Tinca, Fântânele Area, Moisei, Negrești-Oaș and Calacea).



A. B. C.  
**Figure 2.** Evolution of turnover for resorts ranging from 0% to 10%  
 (A. Vișeu de Sus, B. Praid, C. Costinești)

*b. The category between >10% and 30%*

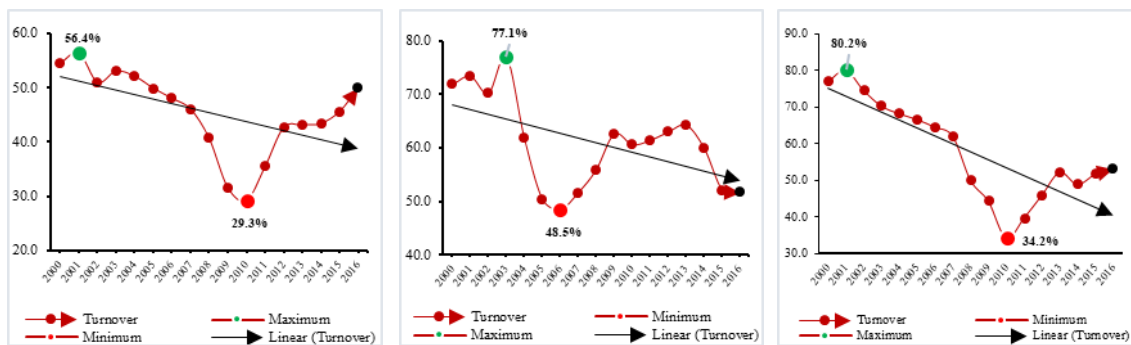
The second category, with a significantly lower number of resorts than the one previously analyzed (17 tourist resorts) is where the turnover of the tourism sector is between 10% and 30% (Fig. 3), being the category where tourism participates with a significant share of turnover alongside other fields of activity in the local economy. As examples of stations ranked among these values we have Slănic Moldova, Muntele Băișorii Area, with a significant increase due to accommodation facilities for holidays and short-term periods and the Băile Herculane resort, which showed significant decreases of turnover in the tourism sector, especially in hotels and other similar accommodation.



A. B. C.  
**Figure 3.** Evolution of turnover for resorts ranging from >10% to 30%  
 (A. Slănic Moldova, B. Muntele Băișorii Area, C. Băile Herculane)

*c. The category between >30% and 54%*

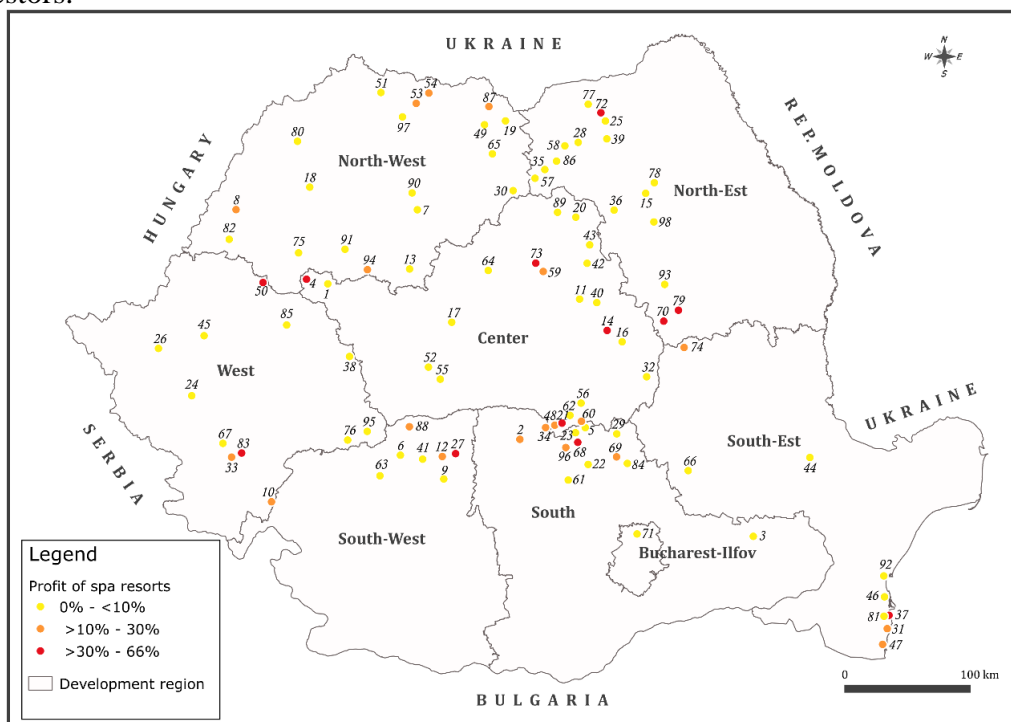
The last category, the one with the highest values of the share of turnover from tourism, has the smallest number of resorts (10) and their concentration can be observed especially in the development regions of the South and the Center. Although they are ranked in the category with the highest values of the share of turnover from tourism, the analyzed resorts, Călimănești-Căciulata, Slănic Prahova and Băile Tusnad (Fig. 4), had significant decreases since 2000 until the last year of analysis, the one represented on the map. The last resort, represented graphically, is the resort that holds the largest share of turnover from tourism, from the total number of tourist resorts in 2016.



A. B. C.  
**Figure 4.** Evolution of turnover for resorts ranging from >30% to 54%  
 (A. Călimănești-Căciulata, B. Slănic Prahova, C. Băile Tușnad)

**Distribution of the share of profit from tourism sector from total profit in tourist resorts from Romania.**

The mobile of economic activity in the market economy and the fourth form of fundamental income, profit is defined as the gain from an economic activity, action or economic operation. It provides an important indication of the economic situation of tourist resorts from Romania and is also the first figure taken into account by potential investors.

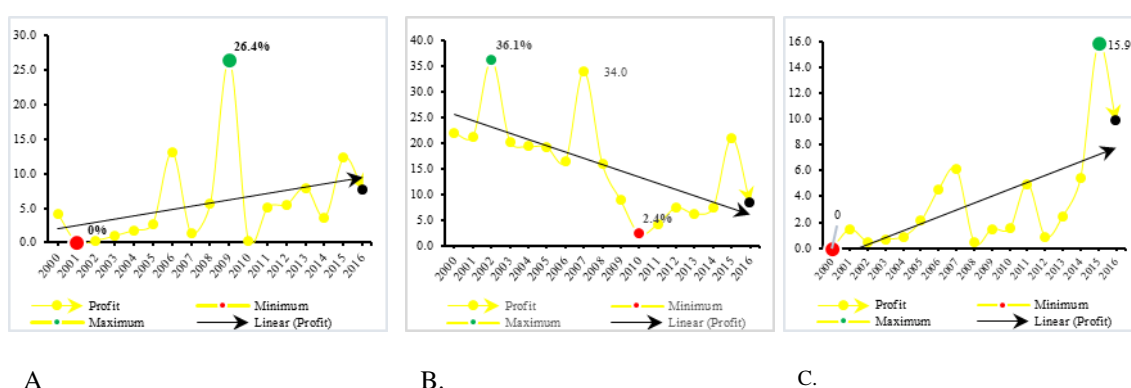


1. Albac, 2. Albeștii de Muscel, 3. Amara, 4. Arieșeni, 5. Azuga, 6. Baia de Fier, 7. Băile Băița, 8. Băile Felix/I Mai, 9. Băile Govora, 10. Băile Herculane, 11. Băile Homorod, 12. Băile Olănești, 13. Băile Turda, 14. Băile Tușnad, 15. Băltătești, 16. Balványos, 17. Bazna, 18. Boghiș, 19. Borșa, 20. Borsec, 21. Bran, 22. Breaza, 23. Bușteni, 24. Buziaș, 25. Cacica, 26. Calacea, 27. Călimănești-Căciulata, 28. Câmpulung-Moldovenesc, 29. Cheia, 30. Colibita, 31. Costinești, 32. Covasna, 33. Crivaia/Semic, 34. Dâmbovicioara, 35. Dorna Candrenilor, 36. Durău, 37. Eforie (North and South), 38. Geoagiu-Băi, 39. Gura Humorului, 40. Harghita-Băi, 41. Horezu, 42. Izvorul Mureșului, 43. Lacul Roșu, 44. Lacul Sărat, 45. Lipova, 46. Mamaia, 47. Mangalia (Cap Aurora, Jupiter, Neptun-Olimp, Saturn, Venus), 48. Moieciu, 49. Moisei, 50. Moneasa, 51. Negrești-Oaș, 52. Ocna Sibiului, 53. Ocna Șugatag, 54. Oncești, 55. Păltiniș, 56. Poiana Brașov, 57. Poiana Stampei, 58. Pojorăta, 59. Praid, 60. Predeal/Pârâul Rece/Timișul de Sus, 61. Pucioasa, 62. Râșnov, 63. Săcelu, 64. Săngeorgiu de Mureș, 65. Săngeorz-Băi, 66. Sărata-Monteoru, 67. Secu, 68. Sinaia, 69. Slănic (Prahova), 70. Slănic Moldova, 71. Snagov, 72. Solca, 73. Sovata, 74. Soveja, 75. Stăna de Vale, 76. Straja, 77. Sucevița, 78. Târgu-Neamț, 79. Târgu-Ocna, 80. Tașnad, 81. Techirghiol, 82. Tinca, 83. Trei Ape, 84. Vălenii de Munte, 85. Vața de Jos, 86. Vatra Dornei, 87. Vișeu de Sus, 88. Voineasa, 89. Băile Banffy Area, 90. Băile Ocna Dej Area, 91. Fântânele Area, 92. Mamaia North Area, 93. Moinești Băi Area, 94. Muntele Băișorii Area, 95. Parâng-Petroșani Area, 96. Peștera-Padina Area, 97. Șuitor-Baia Sprie Area, 98. Tourist Area of Piatra-Neamț

**Figure 5.** Distribution of the share of profit from tourist resorts from Romania in 2016

*a. The category between 0% and 10%*

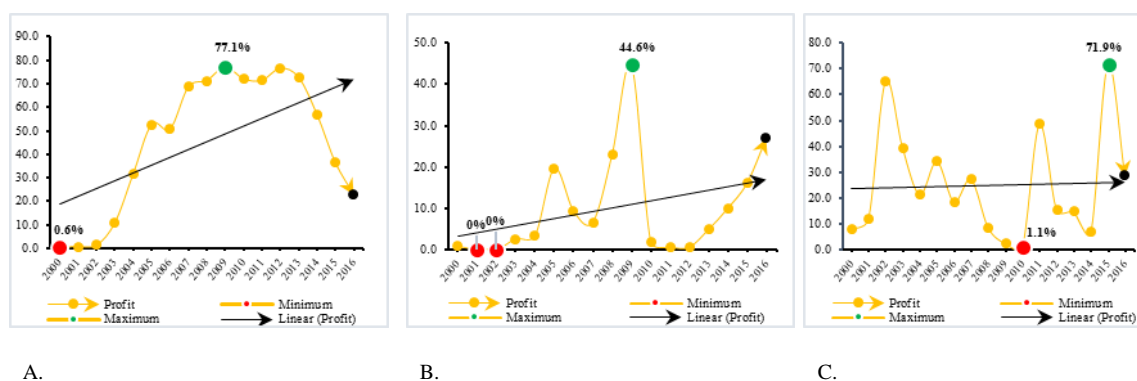
The category with the lowest shares of profit in the tourism sector includes, the highest number of resorts, 66 resorts, more than half of them. Even though Amara resort is one of the most famous and old resorts from Romania, its profitability is very small, as the vast majority of tourists who choose this resort are of the third age and they do so through the treatment and rest tickets offered by the National House of Public Pensions (Fig. 6). Although in the period 2000-2002, Busteni resort recorded significant profits from tourism, over the years there have been major downs especially in the field of hotels and other similar accommodation. Thus, from a 36% share of tourism profit, reaches only 8% in 2016, decrease due to the development of distinct economic activities distinct from tourism (industry). In Cheia resort, things are a bit different, the share of tourism's profit over the period under review is rising, reaching a peak in 2015, and in 2016 the value drops to 9.9%.



**Figure 6.** Evolution of profit for resorts ranging from 0% to 10% (A. Amara, B. Bușteni, C. Cheia)

*b. The category between >10% and 30%*

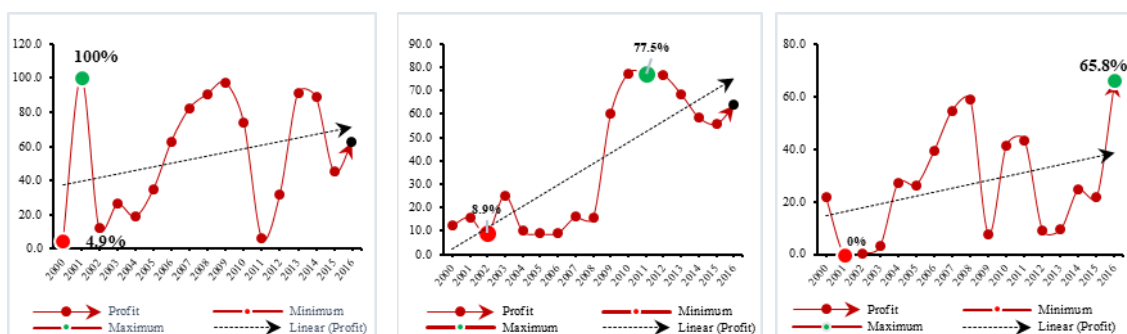
In the second category, there are 20 number of resorts, where the tourism sector has an important part in their local economy but not the main one, this being complementary. As examples of resorts between these values we have Slănic Prahova, Muntele Băișorii Area and the well-known Băile Herculane resort (Fig. 7). If the trend line for the first two resorts shows an ascending evolution, in the case of Băile Herculane this is constant, showing a fluctuating trend. Among the causes of this drastic decline is the closure of seasonal accommodation facilities such as Dacia and Domogled. It is well known that this resort is one of the extremes, the only rescue being private investment that builds new accommodation units, with those of the local government.



**Figure 7.** Evolution of profit for resorts ranging from >10% to 30% (A. Slănic Prahova, B. Muntele Băișorii Area, C. Băile Herculane)

c. The category between >30% and 66%

In the last category where the highest values of the share of profit from tourism are included, there is a low number of resorts, only 12. In these resorts, the tourism sector is predominant, ie revenues are mainly based on this sector. Although there are large fluctuations in their evolution, the Trei Ape, Bran and Slănic Moldova resorts have a growing trend line, showing values of the share of profit in the last year of the analysis of 62%, 64% and 66% (Fig. 8).



A.

B.

C.

**Figure 8.** Evolution of profit for resorts ranging from >30% to 66%  
(A. Trei Ape, B. Bran, C. Slănic Moldova)

## CONCLUSIONS

The analyzes show that the status of tourist resort is not necessarily the result of tourism predominance, but there are other activities that support the local development of territorial systems, even though at first sight tourism seems to be the main economic activity [18]. In the vast majority of tourist resorts from Romania, both in terms of turnover and profit, tourism is an almost insignificant activity, its contribution being reduced to their local economy, being supported by other areas of activity than tourism, industry or commerce. With a share ranging from 10% to 30%, there are those resorts where tourism is an important but not the main economic activity, where, along with other activities, it supports the economic part of these systems with tourist functionality. Last but not least, are those resorts where tourism is the main economic activity (Călimănești-Căciulata, Moneasa, Solca, Băile Tușnad).

In conclusion, we can say that tourism at the level of tourist resorts from Romania represents an additional economic activity, whose dynamics is in a strong relationship with the overall economic profile. Only in some territorial systems, tourism is the basis for economic activities, those systems where the main income profile comes from tourism activities [18].

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