

STRATEGIES FOR THE TOURIST DEVELOPMENT OF THE SOUTH-WEST OLTENIA REGION IN THE CONTEXT OF EUROPEAN FUNDS²²

Teaching Assistant, **Bogdan Budică, PhD**
Professor, Ilie Budică, PhD
Florin Tudor, PhD
University of Craiova
Faculty of Economics and Business Administration
Craiova, Romania

Abstract: The purpose of the present paper is to have a picture of the tourism sector in the region of South-West Oltenia in order to sketch out several medium and long-term strategies of tourist development. The conducted research encompasses several departments of analysis, one of them being the evolution of the region's tourist activity, before and after the accession to the EU, an evolution which can be measured with the help of specific indicators of the tourist activity such as: the number of arrivals, number of guest nights, number of tourist accommodations by type and categories, rate of accommodation occupancy or the contribution of tourism to the region's GDP. Another matter analyzed refers to the correlation of the tourism strategy in this region with both the global development strategy of the region ramified into different branches and fields and the strategies at national level regarding the economic development of the country. And last but not least, from our perspective the whole development strategy of tourism both at regional and national level should revolve around the irredeemable European funds, namely of viable projects that would lead to a higher absorption rate of more than 90% of this money.

JEL classification: M41, M42

Keywords: strategies, tourist development, European funds, investments, tourist flow

1. INTRODUCTION

The aim of this article is to focus its attention on the reality of the Romanian tourism sector. It tries to give a clear picture of the evolution of tourism in the region of South-West Oltenia but also to identify the issues the Romanian tourism is confronted with as well as the actions necessary for its reformation given the high standard imposed by the EU membership.

As it regards Romania, the reports released by WTTC indicate the fact that the negative effects of the economic crisis on tourism started to make their presence felt at

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the beginning of 2009 when the main indicators of the tourism activity faced a downward trend. But in 2012 the tourist industry started to recover and therefore it had a 1,5% direct contribution to the GDP creation (9,4% in real terms), while its total contribution to the GDP creation was 5,1% (9,1% in real terms).

Tourism has also a significant direct contribution in terms of job creation and the figures indicate that in 2013 approximately 212.500 jobs were created (2,4% of total employment) while the total contribution, including the indirect contribution to the creation of jobs in the other connected sectors was more than twice higher (505.000 jobs, that is 5,7% of total employment).

The main challenges specific to tourism include chiefly the conservation and sustainable management of natural and cultural resources, the reduction to a minimum of pollution inside tourist destinations, including the production of waste, handling change in the community's best interest, reducing the seasonality of demand, diminishing the impact on the environment, creating an accessible tourism for everyone, improving the quality of workplaces in the field of tourism and last but not least minimizing the use of resources.²³

2. OBJECTIVES

The purpose of the present paper is to follow the evolution of tourism in the South-West Oltenia Region over the last 14 years. For a better assessment of the activity of the Romanian tourist sector, this period shall be divided within the framework of the analysis into two intervals of time. The first interval will be between 2000 and 2007 – that is before the accession to the EU – while the second interval will be between 2007 and 2014 – with 2007 a landmark year in Romania's history due to the country's accession to the EU.

Another important aspect that needs to be highlighted is the absorption of EU funds, regarded financially as the “raw material” of investments necessary to reconstruct tourism and for the economic development as a whole. In a certain way, we can reckon that *the best strategy to develop the Romanian tourist sector is to attract these non-refundable funds to a high degree and to pour them into public and private investments in order to give a new facelift to the Romanian*. Their appropriate use in long-term investments will lead eventually to long-term gains.

Also, the final purpose of the analysis regarding the evolution of tourism in the South-West Oltenia region is to come up with propositions regarding the improvement of performances of this sector in this area, identify the causes and factors that hamper the development of the tourist industry as well as integrate this region into the European tourist circuit.

3. METHODOLOGY

The aim of this paper is to draw a parallel between the two periods of the interval. The whole evolution of the tourist activity will be observed through different indicators that measure the performances of the tourist sector, such as: evolution of arrivals, evolution of nights spent, tourist accommodation capacity, net occupancy rate of the tourist accommodation establishments or tourism's share of the GDP.

²³ Programul Operațional Regional 2014-2020, p.11

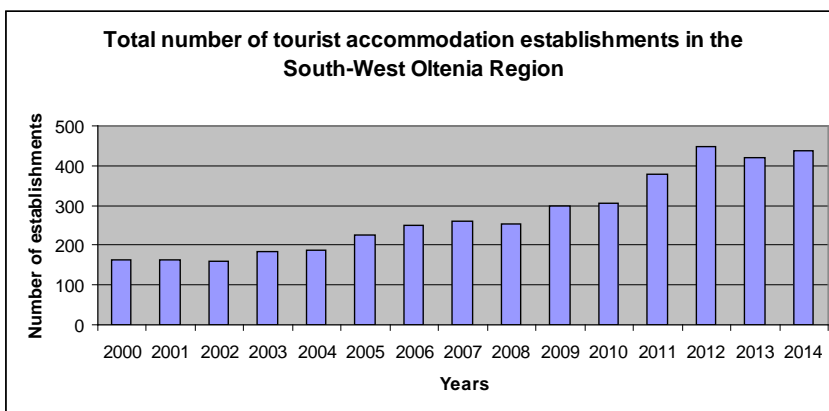
From our point of view, the analysis must focus on the tourist flows in the region. Comparisons between different periods of the interval point out peak moments as well as downward trends in the tourism activity. For this reason, we consider that this practical component is useful because it provides an overview of the tourism’s capacity in this area, its limits but also the possibility to redefine those limits.

4. ANALYSIS

Furthermore, we shall measure the evolution of the tourist activity in the South-West Oltenia region with the help of several specific indicators such as: the number of tourist accommodation establishments, number of arrivals, number of overnight stays or the occupancy rate of the tourist accommodation establishments.

Also, the period that is subject to our analysis can be divided into two almost equal intervals of time. The first interval will be between 2000 and 2007 – that is before the accession to the EU – while the second interval will be between 2007 and 2014 – with 2007 a landmark year in Romania’s history due to the country’s accession to the EU

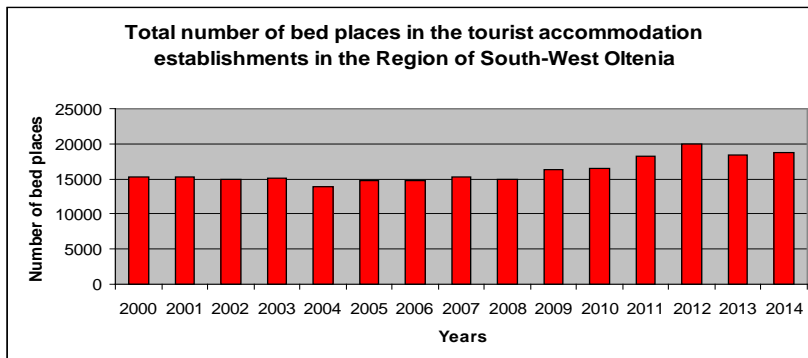
We shall start our analysis by following the evolution of the number of tourist accommodation establishments registered in the region of South-West Oltenia. As we can see from the chart below, their number increased especially after 2007 when Romania became a member of the EU. If in 2000 there were around 162 units of accommodation, by the start of 2007 this number had gone up to 259, almost 100 units more. At the end of 2014, 7 years after the EU accession, the number of accommodation units increased to 436 in comparison with 2007, a surplus of 177 accommodation units. By correlating the year 2000 with 2014, it results that the increase was beyond expectations, almost +170% (274 additional units).



Source: National Institute of Statistics

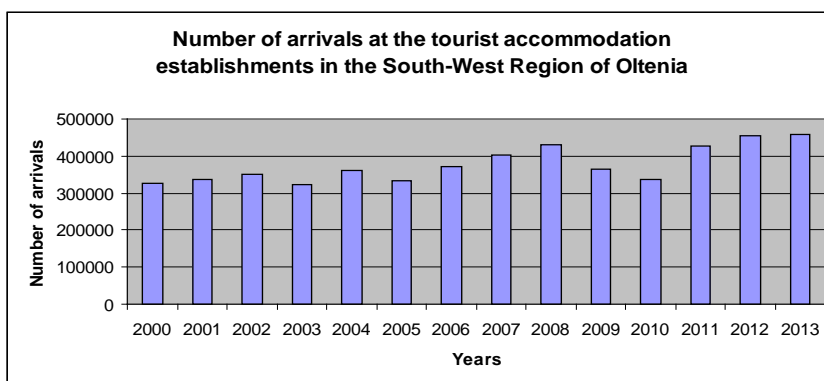
The number of bed places in the tourist accommodation establishments stagnated between 2000-2008, with a slight decrease registered in 2004. Starting with 2009 this number began to increase gradually, the highest value being reported in 2012 (19.947 bedplaces). Relating this value with the lowest value registered in the year 2004, the increase is translated as “going up” by +43,13%. Nevertheless, we must

notice the fact that against 2012, the number of existing bed places dropped by -7,52% in 2013 and -5,67% in 2014 respectively.



Source: National Institute of Statistics

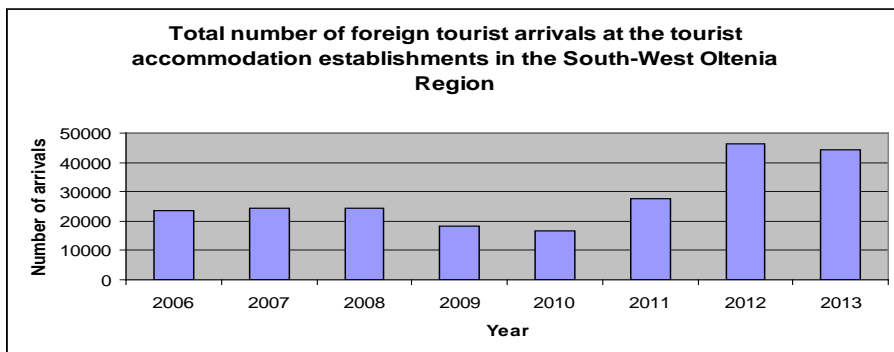
As it concerns the number of tourist arrivals at the tourist accommodation establishments, its evolution can be characterized as being a fluctuant one, both before the EU accession as well as after the EU membership. Nevertheless, we must specify that the values registered after the accession to the EU have been higher than those registered in the early 2000s. Hence, if in 2000 the number of arrivals was 327.108, at the end of 2006 this number had registered only 43.712 arrivals in addition, which meant an increase of +13,36%. Another illustrative comparison is given by the ratio between the number of arrivals registered at the end of 2013 and the number of arrivals reported in 2000. If in 2013 the number of arrivals reached the highest value (460.026 arrivals) and in 2000 we had the second smallest value of this interval (327.108 arrivals), the increase registered in the space of this period was +40,63%. This significant increase can be owed to several factors such as a better life standard after 2000 for the domestic population, the increase in the number of foreign tourists after the EU accession, the increase in the tourist visibility of the region or the improvement of service quality.



Source: National Institute of Statistics

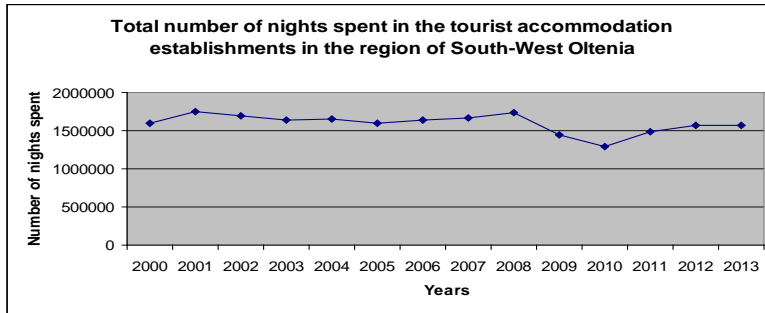
Further, we shall separate the number of foreign tourist arrivals from the number of domestic tourist arrivals. Thus, as we can see in the next chart, the number of foreign tourists, paradoxically, had a descending evolution after the 2007 accession to the EU. This fact is explained by the economic and financial crisis that hit the EU states at the end of 2008 and which led implicitly to a drop in the tourist activity. The last 3 years of the analyzed period were marked by a significant increase in the number of foreign tourist arrivals in the region of South-West Oltenia. At the end of 44.319 foreign arrivals were reported, by +88,11% more than those registered at the end of 2006 (23.560). To put it differently, that's almost double.

The highest value was reported in 2012 (46.490 foreign arrivals), by +68,83% more than the previous year (27.536 foreign arrivals). This increase is the result of both a recovery of the economic activity in the region and the improvement of the region's attractiveness following the investments made through European funds both in the tourist sector as well as in the other sectors of activity. The share of the Romanian tourist arrivals in the overall arrivals at the tourist accommodation establishments exceeds 90%. Hence, in 2013, circa 94% of the arrivals at the tourist accommodation establishments were Romanian tourist arrivals and only 6% of the arrivals were attributed to foreign tourists.



Source: National Institute of Statistics

Furthermore, we'll have a look at the number of nights spent in the tourist accommodation establishments in the region of South-West Oltenia. The evolution was relatively constant minus the period after 2008 when because of the economic crisis, the hotel industry from the region faced a decline translated into the drop in the number of overnight stays. Thus, if in 2008, 1.730.168 overnight stays were reported (the highest value), in 2009, their number dropped at 1.441.604 (-16,67%). In 2010, the drop continued to its lowest value (1.290.263). In percentage terms, the number of overnight stays dropped by -10,49% against 2009 and by -25,42% against 2008. The number of nights spent in the tourist accommodation establishments resumed its increase in 2011 and for 3 years there were reported ascending values. Thus, the number increased by +15,19% in 2011, by +5,33% in the following year and only +0,08% in 2013 against 2012.

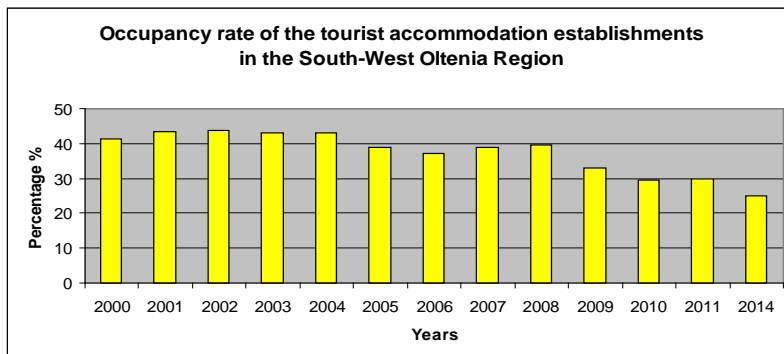


Source: National Institute of Statistics

A very important indicator of the economic efficiency of the accommodation establishments is the net occupancy rate of the tourist accommodation capacity and it expresses the relation between the accommodation capacity and its effective use by tourists in a defined period. Hence, by dividing the total number of overnight stays by the accommodation capacity for the period between 2000 and 2014, what we have is an oscillating evolution, one which in the last part of the interval is rather descending.

The underdeveloped access infrastructure towards the tourist areas, unmodernised tourist facilities and inappropriate technological equipment are often a consequence of a low occupancy rate of the tourist accommodation establishments. Another explanation can be found in the eruption of the economic crisis at the end of 2008, which affected gravely the tourist activity and implicitly the accommodation activity. Values registered after 2008 were lower and lower and therefore 2014 brought the lowest occupancy rate of around 25%.

Following the oscillating evolution of the net occupancy rate in the region of South-West Oltenia, we can see that not even 50% of the overall accommodation capacity was attained throughout this period.



Source: National Institute of Statistics

The conclusion we can draw following the analysis of the main indicators used to measure the evolution of the tourist activity is that although the region of South-West Oltenia benefits from significant tourist resources, its tourist potential is insufficiently capitalized on, which makes the importance of tourism in the local economy to be extremely low as **its contribution to the regional GDP is only 1%**.

Nevertheless, tourism can be an essential vector for the developing of many areas and for the increase in the workforce occupancy rate in a region where alternatives are rather scarce. By implementing sustainable development strategies in the field of tourism and by correlating them with the other development strategies in the fields that tourism interacts with such as constructions or transportation, performances can be amended.

Also, attracting European funds is vital for investments in tourism in the region of South-West Oltenia. The situation regarding the implementation of the Regional Operational Program for the 2007-2013 period shows that the absorption rate of EU funds within the priority axis concerning tourism – “Sustainable development and promotion of tourism” – is over 90%.

The development of the Romanian tourism and its transformation into a reinforced sector of Romania’s economy, in line with its potential, involves elaborating and putting into practice adequate strategies both at macroeconomic and microeconomic level. The tourist market is confronted with higher and higher exigencies coming from tourists while the stiffer and stiffer competition between tourist destinations, impose that the general objective of the tourism’s development strategy should be the increase in competitiveness.

The development strategy of tourism must be correlated with the other sectoral strategies such as the regional strategy because of the multiple interconnections between tourism and the other economic sectors and so that the stimulation of the activity of all industries or of those industries that tourism is dependent on can be ensured. In other words, there must be a harmonization between strategies at macroeconomic level and those at microeconomic level. In this respect, there must be a general awareness on behalf of all participants to the tourist activity of the implications at stake while the strategies put forward are to ensure the success of planning and developing tourism so that all actors involved directly or indirectly in achieving the tourist product can benefit economically and socially.

In this strategic scenario of the national development of Romania as a member state of the EU, tourism both nationally and regionally, in our case – South-West Oltenia region – has its own place, its development being situated at the crossroads of different strategic key factors that lay the foundations of the overall national development: the 2014-2020 National Strategy for Regional Development 2014-2020, the Operational Programs (7 Sectoral Operational Programs and 1 Regional Operational Program), the 2014-2020 South-West Oltenia Regional Development Plan and last but not least the Master Plan for the Development of National Tourism. Each of these pillars of the national development strategy are interconnected and interact with each other in a way that the development of the tourist sector is the expression of the concerted effort of the objectives of these components.

5. CONCLUSIONS

As it concerns Romania’s tourist market, in this moment figures show a disappointing performance. Judging by the immense tourist potential there is room for improvement, although we have got used to this cliché while progress is not underway. We are confronted with a big paradox given the fact that though the comparisons we

make between our country and other countries in terms of natural riches and geographic architecture make us feel if not superior at least equal to other tourist destinations, when we add up we get modest numbers regarding tourism receipts and tourist arrivals. As we could see in the chart regarding the arrivals of foreign tourists at the tourist accommodation establishments in the region of South-West Oltenia, their number rises to a few tens of thousands.

It seems that we're in the same spot for years now. Of course, it is hard to penetrate the tourist consciousness of the European tourists and those from other continents and to be competitive against famous tourist destinations especially when you have to improve your image as a country but in our opinion we think that we can change tourists' perspective through our own tourism brand. Finding viable, long-term strategies adequately implemented can lead to the gradual development of the Romanian tourism and its modernization in order to bring a larger contribution to the economic life of the country.

The central strategy around which the region of South-West Oltenia can build its tourist development is in our opinion the rate of absorption of European funds for the coming period 2014-2020. The reconstruction of the tourist sector does not involve only a reorganization of the state organisms or a simple implementation of policies and institutional measures. It involves also concrete, visible actions such as investments in the modernization of facilities, in infrastructure or in the esthetic rehabilitation of cities.

And since investments means money, the source from which Romania can have a "refill" for the next 6 years is the European Union.

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