



CHANCES OF ROMANIAN TOURISM IN THE PERSPECTIVE OF EUROPEAN COMPETITION

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Abstract *This paper presents a modest, but critical attempt of a summary that analyzes the main developments of tourism offer in Romania, after the events of 1989 so far. Finally some courses of action that may result in an improvement of tourist activities related to sustainable development requirements of Romania are presented.*

Key words:

Tourism, management decisions, crises in tourism, tourism policies

JEL Codes:

A29, E69, M38, O52, P28

1. General aspects

The study takes into account the wider context in which they can be analyzed socio-economic systems at the macro level, so even a state (country) can be considered as organizations, including the managerial point of view. (Cochină, 2005) Romanian tourism crisis becomes more and more visible and is amplified by the global crisis (economic, financial and not only). Immediate actions are necessary in order to save the economy from a possible collapse. They can be triggered only by appropriate management decisions prepared by competent decision makers. Tourism, like other sectors, is brutally affected directly and "without mercy". The first waiver of the one who lost his/her job or for whom the unemployment spectrum hangs overhead, is giving up his holiday, his weekend ride, tourism. Crises affect the tourism sector at different levels: internationally, regionally or nationally. Sometimes they are confined to a small area, but in most cases a tourism crisis affects the whole country. Tourism can be affected by two types of crisis: the crisis arising within the tourism sector or the crises coming from other sectors. The only "so-called" benefit of a period of crisis - as the current one - is that it puts people to think more and to find ways to survive in this competitive global market. Crises within the tourism sector may be due to one of the following factors:

- The lack of clear policies in the tourism sector;
- The lack of marketing strategies (that create a balance between tourism service providers and demand);

- Preservation of old mentalities like: to make tourism in Romania, in many cases, means "it's close enough...";
- Slowly development of tourism activities unrelated to a rapidly increasing demand;
- Acceleration of tourism activities without an equivalent demand;
- The lack of qualified and competent staff;
- The emigration of the skilled labour force to the countries of the EC or to the American continent;
- The lack of adequate infrastructure, without which tourism is not likely to go beyond "I go to the country to my grandparents";
- The lack of consistent tourism laws.

2. The current situation

Tourism has become an important source of income for most of countries of the world. (Pop I., 2014) Due to its geographical position, Romania has great tourism potential. It has a great diversity of natural resources, harmoniously distributed, which give the possibility to practice the full range of forms of tourism, from the classic ones (mountain, seaside, spa, cultural) to "latest varieties" (rural tourism, ecotourism, adventure tourism etc.). The development of the tourism sector is possible because Romania has competitive advantages which offer uniqueness at the same time: variety of landforms and their symmetrical and stepped arrangement, from the centre to the border (mountains, hills, sea and delta); presence of the lower course of the Danube, of the Danube Delta and the Black Sea exit with the generous coast part; the wealth of mineral resources

(1/3 of the European mineral water resources); temperate continental climate with Mediterranean influences in the south-west of the country, graced by a unique fauna and flora; the largest area of virgin forests, with a natural composition and green pastures; rural areas that retain local cultural traditions in everyday life. On the other hand, Romania inherited from the communist period a great tourist accommodation capacity as compared to other countries in Central and Eastern Europe. Since the '60s, Romania has developed its tourist accommodation capacities, especially on the Black Sea coast, the tourism policy being primarily materialized in achieving an important social and technical infrastructure. The practice of mass tourism resulted in the prevalence of lower category accommodation so that the share of 1-2 stars facilities on the Romanian coast was about of 72% of all accommodation establishments on the coast. After the 90s, the evolution of the main tourism indicators reflects the crossing of two periods with distinct characteristics on the Romanian tourism market, both marked by an acute instability of the institutional framework with a main role and responsibilities in the development of tourism policy and strategy, which resulted in a changing pace of the development of medium and long term measures, programs and projects. Mostly, "major" contributions of decision-makers who led the "tourism ministries, authorities, departments in Romania" were related to changes to: "Methodological norms on the issue of certificates of classification of tourist facilities with accommodation and food functions"; "Licenses and patents for tourism according to the interests of the moment: flowers against daisies, bed size, room size, linen colour, the sign; "the diplomas of managers and workers" (not their experience and skills). There were many other details which have not led to the increase in the number of tourists or service quality. Another important aspect to consider is that of professional associations or trade unions. According to many members or former members of these organizations, these work "only on paper" without having a decisive role in Romanian tourism, being used by the members for their own personal image and participation in "so-called" meetings or congresses where the contribution for Romanian tourism development and for accessing European funds is insignificant in relation to the amounts spent from projects without completion. Is this what happens when these associations or national federations want to be members of an advisory committee of the MT or of other national or international bodies and organizations and when their intake is necessarily imperative for reviving Romanian tourism, but are not interested to create and comply with the

natural laws of tourism or agritourism? Sometimes their role of a supposedly neutral arbiter is only a pretext for thriving a personal business for some of the leaders of those organizations. We can summarize that the current situation was reached because:

- "everybody makes" tourism in Romania because "in Romanian tourism means - too often - "diplomas, accreditation, licensing, etc." and rarely "passion or desire to really know more";
- the "manager" is - in general - "loosely turned to" the owner's servant, and the "staff" is formed in impermissible many cases, of careerists, trained in the most unprofessional way as possible;
- if you tell employers about the need of staff training, about standards and procedures, most of them have "a defiant attitude";
- professional associations were transformed into employers' associations in order to manifestly neutralize any attempt of the professionals to show the inability of certain employers to lead a business effectively and in a modern way;
- we have staff that own degrees, bachelor's degree, master degrees, we have ISO accreditations etc. ... we have everything money can buy, but we do not have: passion, dedication and the desire to truly be better in our field of activity (the satisfaction given "by a return of a customer" is something meaningless for many of those who make tourism);
- "holiday vouchers law" will turn a poor quality tourism into one of a "poorer quality" (travel agencies and tourism service providers "will have disputes on fees" and "on who will be the first to receive and collect coupons" instead of seeking different solutions and implement new programs to gain customers and the market.

3. Suggestions and proposals of APTR members of the territory

We are going to synthesize some of the complaints, suggestions and proposals of APTR members of the territory:

1. To form Tourism Commissions (hereinafter TCs) at regional level, of maximum 5 members who have the power to review, authorize and control the small rural guesthouses (with 1-5 rooms), requiring them the mandatory compliance and provision of conditions for classification relating thereto, provided by the legislation in force. We support the granting of classification and authorization to operate one the sole responsibility of applicants, without the need to obtain five certificates (PSI, safety at work, health, veterinary and environmental protection). This initiative is motivated by

the fact that charges for these certificates, together (plus the trips to the county seat where these institutions have their headquarters) are of approx. 700-1000 lei, an amount which a small entrepreneur cannot pay.

2. Duties and powers of TCs concern the role of mentoring, training, supervision and advice to rural tourist guest houses. As such, TCs should be complemented with expert representatives of local authorities, who - knowing the situation on the ground - can effectively support the work of the committees. Current practice: checking and controlling the conditions laid down by the five certificates mentioned in the previous paragraph, unannounced control and executed by one person, a situation that enables corruption and largely prevents the healthy development of tourism.

3. Through the fact that the TCs includes representatives of local authorities that practically issue operating permits (based on TCs recommendations), the records of small entrepreneurs in tourism can be updated more easily, as they are contributors in the area of the locality where they operate. The correlated guidance and control of TPs and of local authorities would immediately result in the restriction and abatement of this phenomenon. Many so-called rural "guesthouses" operates on the basis of false, non-accredited qualification certificates which local bodies accept carelessly. Based on our experience we believe that the share of "illegal" tourism in our country is of almost 80%.

4. Status of tour guides. It is known that groups of Romanian tourists abroad are not allowed to be led by Romanian tourist guides, but only by those of the country (the reason of this measure is the advantage of knowing the place). We believe that the same should be practiced in Romanian tourism: foreign tourist groups should be led only by guides from Romania. Our experience shows that guides coming from other countries often present erroneously and in an unreal manner the economic, social, cultural phenomena of the country, the multiple negative consequences are so obvious, that we consider their presentation in detail as useless.

5. The issue of financing tourism projects. Currently projects are available (eligibility chances) only for those with considerable financial means. A small entrepreneur does not have the resources to provide its own share (often huge amounts of money for them), he/she is not able to prepare the files, and often has no money to pay professional offices for preparing the projects. Our proposal is for the materials needed for the file to be simpler, accessible to ordinary people and for the financial institutions to give them loans in order

to ensure their own share in more favourable conditions, according to their material situation.

6. The professional travel agency activity is undermined by the fact that unauthorized individuals (owners of coaches and minibuses, even churches) organize and carry large groups (50-60 people) abroad, for winter sports, pilgrimages and other occasional events without having the legality of such actions controlled by the authorities. Or in this case there is no security, no guarantees, no other conditions that in the case of an unforeseen event (accident, calamity) the security and return of the group is guaranteed. It is a phenomenon whose regulation is urgent, as it is very harmful in terms of increasing the level of tourism services and the country's image.

7. In addition to income tax and other taxes, tourist guesthouses are required by law to pay 1% of the income share in the budget of local councils, amounts destined for tourism purposes (billboards, leaflets, promotional materials, infrastructure etc.). It is known that these amounts are spent for purposes other than those provided by law. TC's powers mentioned above should cover this aspect.

4. Conclusions and recommendations

The exceptional tourism potential of Romania has two main components: *the natural component*, represented by spectacular landscapes, varied configuration of the relief, favourable climatic conditions and lots of natural therapeutic spas; *the historical component*, represented by traces of succeeding civilisations that had lived on Romanian territory since ancient times, monuments and lay or religious art objects, museums and museum collections, beautiful and original ethnographical and folklore elements and actual prestigious achievements. (INS, 2014) Internationally the high therapeutic quality of Romanian mineral waters is appreciated, the large number of thermal localities, the localization in very attractive natural areas in terms of cultural, artistic and gastronomic traditions, quite favourable climatic conditions that allow a relatively long thermal season. *They should turn Romania into one of the main destinations for thermal and wellness tourism in Europe and worldwide.*

The government, through the National Tourism Authority must develop urgently a coherent and realistic marketing and promotion of tourism program, which should not be limited to the following ideas:

- To identify the best methods to access the funds necessary for advertising actions;
- ANT has to be endowed with the "best resources", both human and financial, so that together with

the private sector to establish the best and most suitable marketing and advertising measures;

- *In the short term*, the advertising and marketing actions should focus on inter-regional markets (Ukraine, Moldova, Hungary, Austria, Turkey, etc.);
- *In the medium term*, tourism authorities should aim to maintain on the major European markets (Germany, England, France, Italy, Israel etc.);
- *In the long term*, attention should be directed to alternative markets or market segments: Japan, China, India, USA, etc.;
- Special attention should be paid to domestic tourism, which can be a good alternative in times of crisis;
- The good cooperation between authorities and the private sector will be a key element in stopping the decline and identification of urgent solutions for the improvement of tourism.

Travel agencies must diversify tourism offerings with new programs able to satisfy the desires and requirements of all types of tourists: observation of flora and fauna, themed trips, ecotourism, educational tourism, religious tourism, medical tourism etc.

Many things should be done, but the most important ones are:

- Declaration of spa tourism and agrotourism, as strategic directions of development of tourism in Romania;
- Thorough check of all categories of accommodation, to see if it complies with applicable standards for the classification category requested and received from the competent bodies;
- Establishment of the "Resort management", a "local" functional body able to handle the administration of the respective resort (from public lighting to the sanitation of the resort);
- Reestablishment of farms and household annexes to supply spas resorts and large hotel units ("at production prices" rather than at "cash & carry prices" as in the present);
- Identifying the most frequented tourist corridors and auditing the observance of standards of services provided by the accommodation facilities located on these corridors;
- Redevelopment of the Master Plan for tourism development, conducted by "Horwath Consulting" in the '90s and of the one "established 3-4 years ago" which were not at all applied;
- Full revitalization of the main spa climatic resorts (Herculane Buzias, Borsesc, vatra Dornei, Vâlcele etc.), which are currently "stopped" in development (countries like Austria, Hungary,

Czech Republic, Croatia etc. revitalize spa resorts. The cause of the National Institute of Geriatrics Ana Aslan decay should also be analyzed);

- Romania's preparation for "the future of tourism" (SPA and Wellness – the tourism which "puts you into shape", "which make you feel good" etc.);
- The analysis of the causes which determine big differences between the number of tourist arrivals (according to the reports from border points) and the number resulting from the "official" records, made in the accommodation facilities (it means there are officially unregistered income and which is not subject to taxation);
- Preparing Romania in terms of the "boom" of retirement in Western countries and in America, during which the "young" retirees will begin to travel to a large extent;
- Developing a national plan for the qualification and the permanence of the labour force in tourism and developing tourism education in Europe (analyze what happens to the former National Centre for Tourism Education);
- Taxation of the "accommodation facilities" depending on the category of classification and the "type of duration of operation (seasonal or permanent);
- Changing the archetype of the "Land of Dracula" with a multi-dimensional offer, including the historical, cultural, architectural, archaeological, religious, natural and social treasure.

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