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ROMANIA'S TOURISM SECTOR: ACTIVITY AND EMPLOYMENT

MONICA MARIA COROŞ[1], CARMEN MARIA GUŢ[2]

ABSTRACT. The present paper aims to analyze the situation of Romania's tourism activity, beginning with 1990, when our country began its transition from a centralized economy towards a market economy. The main purpose of this analysis is generated by the fact that our country enjoys a great development potential for this sector. Another aspect that raised our interest is that related to the development of the tourism accommodation facilities and to that of the employment of this sector. Finally, we intend to correlate the three analyzed factors for identifying the possible solutions for reestablishing tourism's situation and that of the employment.

Key words: tourism, employment, services, activity, quality

Introduction

Ever since 1990, the Romanian authorities have declared tourism a national priority. Still, the sad reality is that this very important and valuable asset of our country continues to be underdeveloped. Moreover, the services' sector has been identified as one of the most important sources for Romania's economic growth and social development. We believe it is necessary to approach tourism from two perspectives. On one hand, it contributes to the national incomes' increase, mainly based on the expenditures of both the Romanian and the foreign tourists. On the other hand, tourism may generate a major impact upon employment.

Tourism, as part of the tertiary sector of the economy, also known as the industry of services, represents, according to the specialized literature "the activity of carrying out services, which handles the organization of enjoyment trips or for any other purpose, carried out through the means of specialized organizations, traveling offices etc, or on its own, for a time span greater than 24 hours. Tourism includes all the activities that serve and satisfy the consumption and services needs of the tourists." [Constantinescu, 1974, p. 782., authors translation]. There are different purposes for tourist activities: recreation, healing, treatment, participating at different events (congresses, symposiums, conferences, seminars, trainings etc), business trips etc. There are also connected services implied by tourism: transportation,

[1] PhD student, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania.
[2] Teaching Assistant, PhD student, Faculty of Business, Babes-Bolyai University, Cluj-Napoca, Romania.

health, and medical insurances, medical and healing services, feeding services etc; all of these eventually generate the development of the specialized employees.

Our paper focuses on three matters. First of all, we shall discuss the development of Romania's tourism throughout the country's economic transition (from a centralized economy towards a market economy). Next, we will analyze the employment in the tertiary sector, concentrating on the one of tourism. Finally, we intend to determine the impact of this sector's evolution upon the development of its employment.

Materials and Methods

As the present paper aims to cover problems related to tourism, to the sector's employment and to the connection of these elements, we have mainly used data and facts offered by the Romanian National Statistics Institute (INS) in its *Statistical Yearbooks of Romania*, issued between 2002 and 2005. Due to the fact that the Institute only offers poor information about this sector we have also made use of pieces of information gathered from alternative sources, basically the specialized economic publications which present the results of different researches and studies carried out by other institutions, such as the National Institute for Tourism Research and Development (INCDT) or the National Authority for Tourism. We have also used other types of documents, such as the governmental national development plan for 2007-2013, that was recently issued. Our research methodology is based on document analyses, as well as on our own calculations and facts' interpretations and correlations.

Results and Discussions

Because of the fact that Romania's tourism cannot be analyzed without taking into consideration its potential as a tourist destination, we believe it is necessary to briefly sketch it. In this respect we will refer to the main competitive advantages that were identified by the national authorities [MMSSF, 2006, p. 72] for our country's tourism development:

- the variety of its forms of relief and its harmonious and even distribution (approximately 1/3 plains, 1/3 plateaus and 1/3 mountains);
- the presence of the inferior course of the Danube and the unique Danube Delta;
- the generous seaside coast;
- the abundance of the mineral water resources – there are 1/3 of Europe's mineral waters in Romania;
- the temperate-continental climate, with Mediterranean influences in the southern part offers an environment with unique flora and fauna;
- the advantage of possessing one the largest surface on the European continent, with virgin woods and ecological grasslands;
- the rural areas with well-preserved local cultures and habits in the daily rural-life.

Basically everyone admits that Romania may be perceived as a unique destination. It enjoys a geographic position that grants it several advantages. On one hand, there are the above-mentioned natural resources, and on the other hand, there also is a huge cultural heritage. These elements interweave each other and generate a great tourism potential that has to be properly exploited. Still, we also need to point out the fact that Romania has inherited from the communist times a series of problems. The main ones are those related to the quality of the tourism services:

- the state owned accommodation facilities were not stimulated by any form of competition, as there were no other forms of property and at the same time, tourists only had limited possibilities of choice;
- the mass tourism, that was encouraged by the communists, was based on lower class accommodation facilities (mainly 1 and 2 star hotels);
- the services that were offered in tourism activities were of poor quality and basically focused on accommodating and feeding tourists;
- the employees were poorly trained and were merely interested in offering quality services.

Based on the statistic data and facts offered by the NSI, in the *Statistic Year Books of Romania* of 2003 and 2005, as well as on the figures found in the media, we are going to try to realize a short presentation and analysis of the development of our country's tourism activity between 1990 and January-March 2006; below data illustrate Romania's tourism activity measured at the level of accommodation facilities:

Table 1.

Romania's Tourism Activity (Thousand Persons in Accommodation Facilities)

	1990	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**Jan.-Mar. 2006**
Total	**12297**	**9603**	**8015**	**7566**	**7005**	**7070**	**6595**	**5727**	**5552**	**5109**	**4920**	**4875**	**4847**	**5057**	**5860**	**5860**	**1104**
Romanians	10865	8309	6830	6718	6149	6304	5833	4894	4742	4314	4053	3960	3848	3952	4370	4370	...
Foreigners	1432	1294	1185	848	856	766	762	833	810	795	867	915	999	1105	1490	1490	...

Sources: *** "16.3.4 Sosiri ale turiştilor în structurile de primire turistică cu funcţiuni de cazare turistică", *Capitolul 16 Comerţ; Turism; Servicii*, in *Anuarul Statistic al României 2003 – Serii de timp 1990-2002*, INS, http://www.insse.ro/anuar_2003/asr2004.htm; *** "20.4 Sosiri ale turiştilor în structurile de primire turistică cu funcţiuni de cazare turistică", *Capitolul 20 Turism*, in *Anuarul Statistic al României 2005*, INS; *** http://www.wall-street.ro/articol/Turism/15237/In-doar-trei-luni-peste-1-milion-de-turisti-au-venit-in-Romania.

Table 2.

Romania's International Tourism Between 1990-2004 (Thousand Persons)

	INS													ANT	
	1990	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**
Foreigners' Arrivals	6532	5359	6401	5786	5898	5445	5205	5149	4831	5224	5264	4938	4794	5595	6600
Romanians' Departures	11275	9078	10905	10575	10105	5737	5748	6243	6893	6274	6388	6408	5757	6497	6972

Sources: *** INS, 2003, "16.3.10 Turismul internațional al României", *Capitolul 16: Comerț; Turism; Servicii*, in *Anuarul Statistic al României 2003*; *** Autoritatea Națională a Turismului din România, http://www.mturism.ro/statistici_turism.php.

Analyzing the above mentioned figures, keeping track of the ones mentioned before, and taking into consideration the fact that during 1990-2002, several trials to promote Romania as an international tourism destination were made (the picture album *Eterna şi fascinanta România*[3] of 1996-1997; the campaign "Come as a Tourist, Leave as a Friend", launched in 1998-1999; the participation to the Washington DC tourism fair in 1999; the projects initiated in 2001-2002 for the promotion of Romania's image; the program "Fabricat în România"[4] run during 2001-2004; the campaign "România mereu surprinzătoare"[5] of 2004) we may conclude as follows:

- during the time span 1990-1998 Romania's international receiving tourism had a decreasing trend (with two exceptions, 1992 and 1994, when small increases were registered in comparison to the previous years); in 1998 the number of foreign visitors who entered our country represented only 73.95% of the figures of 1990; the main reasons for this situation can be explained through the negative image Romania has abroad, and due to the lack of any serious initiative to promote the country as an international tourism destination (until 1996 or 1997);
- the 1998-2000 time span had an ascending trend; by 2000 the number of international tourists had grew by 8.96% compared to 1998 and had reached 80.58% of the figures of 1990; among the probable causes of this increase we may mention: the political change of November 1996, which has lead to the real democratization of Romania and to the improvement of the country's external image; as well as promotion activities based on the album *Eterna şi fascinanta România* and on the campaign "Come as a Tourist, Leave as a Friend";

[3] *Eternal and Fascinating Romania*. [our translation]
[4] "Made in Romania". [our translation]
[5] "Romania Always Surprising". [our translation]

- the 2000-2002 period did not confirm the same ascending trend; it was characterized by the decline of the number of foreign visitors; by 2002 it registered a decrease by 9.8% compared to 2000, representing only 73.39% of 1990's value; several causes can be identified for this phenomenon: the change of the government in December 2000, the inconsequence of the authorities regarding the implementation of a promotion campaign for Romania, scandals linked to the allocation and management of the funds for such approaches, the continuous worsening of the country's image abroad etc;
- the years of 2002-2004 registered a new ascending trend; by 2003, figures had increased by 16.68% compared to the previous year, and in 2004 arrivals of foreign tourists had increased again by 17.96%; by 2003 the number of foreign visitors represented 85.63% of that of 1990. In 2004 the number of Romania's international tourists had, for the first time since 1990, reached a greater value than the one of that year; by 2004 there had come to Romania more tourists with 1.01% than in 1990. Among the reasons of this favorable situation we may mention: strengthening of the nation's economy, as our economy tends to fulfill the conditions to become and be declared a true market economy; increasing Romania's attractiveness from the point of view of foreign investments; greater stability of the governmental policies, in the context of the nearing EU integration; fulfillment of the privatization of accommodation facilities and that one of other sectors linked to the hospitality industry; several trials to promote Romania's image, even though incoherent, also played an important role in the increase of the international visitors number;
- unfortunately the year of 2005 does not continue to register an ascending trend; it is characterized by a decrease of the foreign visitors' number, by 11.51% as opposed to the previous year; among the possible reasons we may first of all mention the chicken fever that appeared last fall in Romania.

Because of the fact that, for our approach, it is very important to identify tourism attractions and types of destinations that are interesting form the foreigners' perspective, we believe that we need to present a situation regarding tourist activity and the number of visitors for each of the chosen types of destinations. Analyzing the above facts, we may state that in 2004 foreign visitors, who have made use of various types of tourist accommodation facilities, had the following preferences regarding these chosen tourist destinations:

Table 3.

Tourists Accommodated in Specific Facilities per Destination (%)

Year 2004	TOTAL	Seaside	Spa	Mountains	Danube Delta	County Residences	Other Towns
Romanians	100	15.68	14.91	16.82	1.33	38.69	12.57
Foreigners	100	6.18	3.31	8.54	1.18	71.30	9.49

Source: *** INS, 2005, "20.9 Turismul organizat de agenţiile de turism, pe acţiuni turistice şi zone turistice", *Capitolul 20: Turism*, in *Anuarul Statistic al României 2005*.

We are now going to analyze the evolution of Romania's receiving tourism, beginning with the year 1989 and until now. The magazine *AnatMedia*, edited by the National Tourism Agencies' Association of Romania (ANAT), shortly presents the features of the development of Romania's tourism in the 1989-2003 time span [Stănciulescu, 2005]:

- the decrease by 23% of the number of tourism accommodation's places[6]: 353,000 (1990), respectively 273,000 (2003);
- the regressive evolution of the net usage of the accommodation capacity coefficient: 58.7% (1989), respectively 34.6% (2003);
- the decline by 26% of the number of foreign visitors: from 6.5 million in 1989 to 4.8 million in 2003.

Table 4.

Romania's Tourist Capacity and Accommodation Activity

Regions/Counties Years	Accommodation Activity		Arrivals (thousand)	Overnight Stays (thousand)	Net Usage Indexes of the Functioning Capacity
	Existent (places)	Functioning (thousand places-days)			
1990	353236	77022	12297	44552	57.8%

[6] Only hotels are taken into consideration, the villas, motels and agrotourism facilities are excluded.

Regions/Counties Years	Accommodation Activity		Arrivals (thousand)	Overnight Stays (thousand)	Net Usage Indexes of the Functioning Capacity
	Existent (places)	Functioning (thousand places-days)			
1995	289539	53540	7070	24111	45.0%
2000	280005	50197	4920	17647	35.2%
2001	277047	51882	4875	18122	34.9%
2002	272596	50752	4847	17277	34.0%
2003	273614	51632	5057	17845	34.6%
2004	275941	53989	5639	18501	34.3%
2005	…	57777	5805	18373	31.8%
Jan.-March 2006	…	10908	1104	2836	26.0%

Sources: *** INS, 2005, "20.16 Capacitatea şi activitatea de cazare turistică, pe regiuni de dezvoltare şi judeţe, în anul 2004", *Capitolul 20 Turism*, in *Anuarul Statistic al României 2005*; "Buletine lunare judeţene", http://www.insse.ro. [our calculations]

Based on the figures presented in the table form above, we may state the fact that between the years 1990 and 2004 the number of places in the accommodation facilities has registered a continuous descending trend; by 2004 the total number of accommodation places represented only 78.12% of the one registered in 1990. The same tendency may also be observed in the case of the net usage indexes of the functioning capacity (from 57.8% in 1990, to 31.8% in 2005).

In the next part we are going to analyze the development of the employment in the tertiary sector, and in hotels and restaurants, as well as the evolution of the employees of hotels and restaurants.

Table 5.

The Structure of the Employed Population per Sectors of Activity (%)

Sector Total/Year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Primary Sector	29.7	32.9	35.9	36.4	34.4	35.4	37.6	38.1	41.2	41.4	40.9	36.2	34.8	31.6
Secondary Sector	39.9	37.1	35.8	34.4	33.6	34.3	32	30.7	28.4	27.3	27.5	29.9	29.6	31.2
Tertiary Sector	30.4	30	28.3	29.2	32	30.3	30.4	31.2	30.4	31.3	31.6	33.9	35.7	37.2

Sources: INS, 2004, "Labor Force Balance – End of Year" in *Anuarul Statistic al României*, "Chapter 3 Labor Market", *3.8 Civil Employment, by Activity of National Economy at Level of CANE Section*; Bucureşti; INS, 2005, *Anuarul Statistic al României*, Bucureşti. [our calculations]

We may show the fact that Romania's employment structure reflected in the above table is different from the one existing in the developed countries, including the situation in the EU-25. The population employed in the tertiary sector has registered both descending and ascending trends throughout the whole 1990-2004 time span. Compared to the situation of the year of 2000, in 2004 the employed peoples' figures registered, in the case of services, an increase from 31.3% to 37.2% but it still is lower that the EU-25 average services' employment rate (which was in 2004 of 69.8% [INS, 2005], almost two times larger that the one registered in our country). Consequently, we may appreciate that in the case of Romania's tertiary sector there is a great potential of employment.

Tourism represents one of the most important components of the tertiary sector. Unfortunately, according to the figures that we have presented above regarding Romania's tourism activity and according to the Romanian Government's National Development Plan [MMSSF, 2006, pp. 73-74] we are entitled to stress the following aspects:

- the country's tourism has been facing the lack of financial resources, legislative facilities, and of governmental subventions;
- the scarce development, valorization and promotion of the national tourism resources;
- the low contribution to the country's GDP;
- the poor quality of the services offered in tourism;
- the migration over borders of the tourist services' qualified personnel;
- the national and regional authorities' incapacity or lack of interest to correlate the demand (both in the case of the Romanians and in that of the foreign visitors) with the supply when it comes to tourism;
- the lack of attractiveness of our country as a tourist destination, for both Romanian and foreign visitors;
- the insufficient promotion of the country as a tourist destination.

Further on, we consider we have to analyze the structure of the employment in hotels and restaurants:

Table 6.

The Structure of the Employment in Hotels and Restaurants from 1990 to 2004

1990	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**
Thousand persons														
186	213	175	131	136	123	116	130	98	100	93	79	95	105	133
1990=100 (%)														
100.0	114.5	94.1	70.4	73.1	66.1	62.4	69.9	52.7	53.8	50.0	42.5	51.1	56.5	71.5

Source: *** INS, 2004 and 2005, *Anuarul Statistic al României*, Bucureşti. [own calculations for the variations of the percentages]

During the period 1992-2001 the employment in hotels and restaurants has registered a continuous decrease; beginning with the year 2002 it has began to increase. We may identify a few causes of this positive trend (most of them being generated beginning with the year of 2002):

- the increase of the number of Romania's tourists accommodated in accommodation facilities (both Romanians and foreign visitors);
- the growth of the number of accommodation places;
- the finalization of the privatization process of the tourist accommodation facilities (almost 92% [MMSSF, 2006, pp.74, 77]);
- the increase of the brown- and green-field investments' volumes made for the modernization of the tourist resorts and facilities;
- the improvement of the labor force's quality, due to the specialized training programs.

In order to be able to maintain this ascending trend of the employment in tourism services, we consider that the Romanian authorities have to acknowledge the fact that adequate policies are necessary for creating a healthy, secure and attractive environment for the further development of the investments (especially the green-field ones) in this economic sector, that would eventually lead to the creation of new work places. A better financing of this area would increase the attractiveness of the sector from the employees' perspective, fact that would generate a growth of the competition among the sector's labor force. Therefore, we believe that such a competition generates positive effects upon the quality of the employees, who would offer better services; thus, transforming Romania into a more attractive destination, able to face the competition on the international tourism market.

Conclusions

Romania's main problem related to tourism activities is generated by the fact that the offered services are still of poor quality. Improved services can only be offered in competitive accommodation facilities and by using highly qualified personnel. Romania needs to modernize its facilities and to build new ones of higher quality, and to offer more complex tourism packages and services. At the same time, the development of services raises the need of more employees in this sector. We may say that in order to be able to increase the employment in this sector, the following aspects need to be fulfilled:

- a more conscious involvement of the national, and especially regional or local, authorities in the process of modernizing and promoting the country's tourist spots and attractions;
- a better understanding of the Romanian and foreign tourists' needs and desires;
- a stimulation of the increase of both brown- and green-field investments in this economic sector;

- a better correlation between the demand and supply of labor force in the tourism related services;
- an improved formation and training of the employees – that can be achieved through high-quality training programs and more customer oriented programs.

Taking into consideration Romania's profile as a tourist destination, we agree with the main development directions identified by the national authorities [MMSSF, 2006, pp.75-79] for the tourism sector of our country. In the next lines, we are going to present the main areas that can and should be exploited and we are going to show the positive influence they would generate upon the employment in the services' sector:

- tourism for business and congresses – generated in 2004 the most arrivals in our country (46.6% of the accommodated tourists); it is characterized through a short stay but at the same time it raises the need of modernized facilities, with conference rooms and specialized services and personnel, therefore, we believe it may positively influence the employment in the case of the development of such accommodation facilities;
- seaside tourism – this destination seems not to be very attractive for the foreign visitors and unfortunately it also looses market share in favor of other destinations when it comes to the Romanian tourists; it also raises the problem of seasonality, which generates unemployment for the personnel that works on the seaside; to counterfight this problem, the authorities have tried to encourage and sustain this type of tourism through social programs and by also exploiting the low season periods; by this they have managed to positively influence a part of the employed labor force;
- mountain tourism – does not have to face the problem of seasonality but it still has an old and underdeveloped infrastructure; from the point of view of the workforce, this kind of tourism generates positive trends, as its continuous development raises the need for new and specialized personnel; the performers of tourism services linked to the mountain areas can and should develop more complex services and should also focus on offering other packages of services connected to this type of tourism, through this they would positively influence the employment of more people (basically this could be an opportunity for involving unemployed people from other sectors in tourism connected services);
- spa tourism – registered by 2004 12.1% of all of the accommodated tourists; it is characterized by the longest period of stay and by the most complex offered services; some of Romania's spa resorts fulfill the international standards, this is why the authorities insist on supporting its development; we believe that the further development of this kind of tourism can only generate positive effects upon the employees, because of the fact that it involves very many specialized people who have to perform specific services (beginning with accommodation and feeding, and going all the way to highly specialized medical services);

- ecotourism – is a type of tourism that has enjoyed the most spectacular development in the area of the Danube Delta but it also is very appropriate for other areas; we would like to present the types of tourism that can be practiced "under the umbrella" of ecotourism:

  - geotourism – Romania enjoys a very large heritage of such tourist attractions: national parks (12), natural parks (13), natural reservations (3, including the Danube Delta), scientific reservations (52), natural monuments (228), natural reservations (527); their true development as tourist spots and their adequate promotion would on one hand attract more tourist and on the other hand would generate the need of employing more specialized people;
  - cultural-religious tourism – under this aspect Romania enjoys a huge potential (the UNESCO heritage, the architecture, the ethnography, the folklore, the well-preserved customs, cultures and habits, the processing of wood and clay, the traditional rituals, the daily rural life that can all be experienced in the Romanian villages of Transylvania, Banat, Bucovina, Moldavia, Dobrogea, Muntenia, or Oltenia) but at the same time it faces a very important problem related to the underdeveloped infrastructure; this type of tourism can contribute to the improvement of the life in these areas and may also involve the employment people in services and in areas connected to infrastructure development;
  - rural and agrotourism – it may be practiced all year long and implies little investments and financial support; this type of tourism can only generate excellent opportunities for the countryside communities: it leads to a stabilization and localization of the population in rural and mountain areas and to its involvement in performing tourism services; it represents an employment alternative both for the unemployed people of other economic sectors and for the peasants. Moreover, this type of tourism also encourages the development of family-type businesses.

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