

## TOURISM ORGANIZATION AND COORDINATION IN ROMANIA AND THE IMPORTANCE OF GOVERNMENT IN TOURISM DEVELOPMENT

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**Abstract:** *Tourism demand in Romania fluctuated in the last 28 years: it dropped to almost one third in the first half of that period, as a result of complex economic, social and political changes; it recovered slowly until 2014; it increased significantly over the past three years, as the result of tourism reforms and reorientation of tourist flows from traditional destinations, that were perceived unsafe. The national tourism development strategy should be considered a milestone in Romania's tourism policy, a long-term integration of research and collaboration between the tourism industry and the Government, in order to maximize the economic potential of the tourism industry. It is about creating a policy framework, infrastructure and consumer protection regulations, to support the development of the tourism industry with instruments capable to ensure its competitiveness in the global economy. This requires consistency, continuity and coherence, in other words, a strategic and efficient management.*

**Key words:** *tourism, organization, coordination, Government, Romania*

### INTRODUCTION

Romania's competitive advantages that differentiate it from other tourist destinations in the world, include: unique natural landscapes and parks, ethnocultural heritage of local people, regions and cities with historical, architectural and religious sites, and friendly and hospitable people. However, the recipe for a successful and sustainable tourism requires more. Improving the quality of tourism products and services, tourism infrastructure, professional development of workers in tourism, are elements that will maximize and sustain the economic value of Romania's natural advantages as a tourist destination.

The Ministry of Tourism should have an experienced management, focused on tourism industry and prior tourist markets. Its actions include cooperation between national and regional tourism organizations and the private sector, aimed at increasing the number of tourists, their expenditure and the number of jobs in tourism. The leadership of Ministry of Tourism should work closely with stakeholders and local authorities to develop tourism industry, promote quality standards in tourism and represent Romanian tourism brand internationally.

### MATERIALS AND METHODS

This paper relies on studying the literature and legislation in this field and on processing the statistical data published by the National Institute of Statistics (the chapters referring to tourism in the Romanian Statistical Yearbooks; Romanian Tourism. Statistical Compendium; Travel Series; Tourism Satellite Account). The graphical modeling and calculations using the application Microsoft Office Excel resulted in pertinent conclusions.

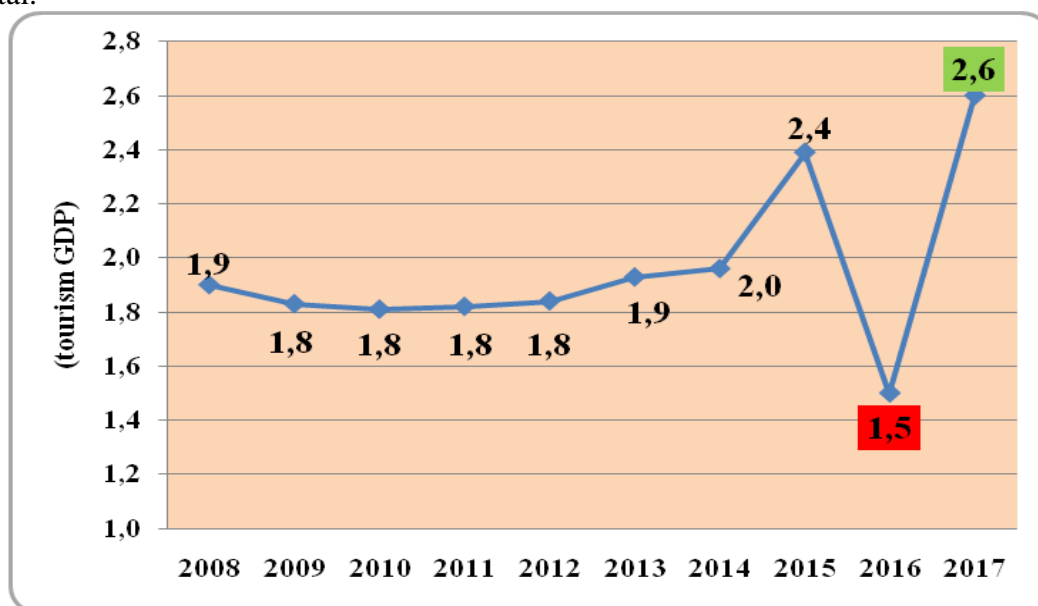
### RESEARCH RESULTS

Tourism should be integrated into the unitary operational system of the economy. In the macroeconomic sense, tourism organization implies the existence of an appropriate framework, succession and networking of its components, so that they function optimally as true engines of tourism.

The legislative, organizational and administrative measures are the institutional support necessary to perform tourist activities. Organizing and coordinating are the engines

to attain the objectives of the national tourism strategies in Romania. Tourism is an economic sector which involves a network of organizations that cooperate. In Romania, as in most countries, this network consisting mainly of a central body (the Ministry of Tourism, a body of the central public administration), regional and local organizations [1] and tour operators, should be focused on improving the efficiency of this sector through good knowledge of stakeholders in tourism (tourists, local population, the tourism industry, public sector, NGOs and media) and the relations between them.

Statistics demonstrate a low share of Romanian tourism in GDP: an average of 1.95% during the last 10 years, from 2008 to 2017 (figure 1). Romania's great tourism potential and the economic importance of this sector in the use of labor, exports and imports are widely recognized (at the legislative level, Art. 1 of Government Order no. 58/1998 [6] states that "Tourism is a priority area of the national economy."), and the current Government promises to engage more, supporting tourism, for its growing need for capital.



**Figure 1. The share of tourism in Romania's gross domestic product during the last decade (2008-2017)**

*Source: own processing of the data provided by the National Institute of Statistics: Romania's Tourism. Statistical Compendium [15]*

The performance of this sector is not satisfactory, the main responsible being, in the opinion of many authors, the State. Auditing the National Tourism Authority (ANT), the Romanian Court of Accounts noted "the incapacity of the decision-makers in this sector to create sustainable policies that lead to continuous development and revenue increase in tourism" [22]. Even the former Minister for Tourism declared that tourism "was an area which the state did not give much importance", seeking to double the share of tourism in GDP, through "a correct and coherent cooperation between the the central public organization and the business environment" [23].

Among the causes of tourism low results, we mention: the frequent changes within the ministry delegated for tourism in the post-December 1989 period, the inadequate policies and strategies of privatization, the phenomenon of corruption, the lack of clear and firm legislation - the Tourism Law [5] has not been adopted yet, though it has been debated for 8 years now. For example, recently (January 2017), changes have been made in the organization of the ministry responsible for tourism. We know that from 1989 until now, these frequent changes in the name, subordination and powers of the delegated ministry for

tourism have not been beneficial. The Government Order no. 1 of January 4, 2017 on the organization and functioning of the Ministry of Tourism, published in the Official Gazette no. 12 of January 5, 2017 [7], reestablished the Ministry of Tourism (detached from the former Ministry of Economy, Commerce and Relations with the Business Environment), abolishing and taking the National Tourism Authority (which functioned since 2013, under the coordination of the ministry delegated for tourism).

Therefore, at present, the Ministry of Tourism is organized and operates as a specialized body of the central public administration, subordinated to the Government, applying the strategy and the program of governance in tourism, according to the requirements of the market economy, stimulating the initiative of business operators [8, 9]. The main attributions of the Ministry of Tourism are: to coordinate the tourism activity nationally, to develop the strategy for tourism development, to promote tourism domestically and internationally, to initiate and apply specific legislation and rules, to represent Romania in international organizations [21].

The *number of tourists (visitors) or tourist arrivals* is the most important indicator of tourism flow [2]. This indicator recorded some noticeable oscillations over the past 28 years (table 1, figure 2). It decreased significantly between 1990-2003: from a peak of 12.2 million tourists in 1990, to almost two-thirds lower values in the coming years (1992-1995), followed by another period of constant decline from year to year (1996-2002), with values fluctuating at around 5 million tourists to the end of that period (and a minimum of 4.8 million tourists in 2002). The causes were complex - economic, social and political – and related to the post-communist transition period: decreasing standard of living for the resident population (unemployment, low income), higher tourism tariffs, decreasing quality of services in many Romanian resorts, political instability, insufficient promotion of tourism on foreign markets [3], management changes in many resorts, poor management of companies and stakeholders involved, tax evasion in tourism, as well as improper coordination of tourism nationally (frequent changes within the Ministry of Tourism, incomplete tourism legislation) [4]. The audit of the Romanian Court of Accounts mentioned that "the Romanian tourist offer has ceased to evolve since 1989, thus becoming unattractive and uncompetitive on the international market" [22].

Since 2003 there has been a steady increase in tourist arrivals to more than 7 million tourists in 2008. Growth in the period 2003-2008 was due to rising incomes and living standards of the resident population. In 2009 and 2010, the value dropped suddenly with 1 million tourists compared to previous years, due to the economic crisis [4].

There was a significant increase of arrivals (over 0.5 million tourists yearly) starting with the year 2011 (a worldwide trend, noting that only in 2009 there was a fall in international tourist arrivals).

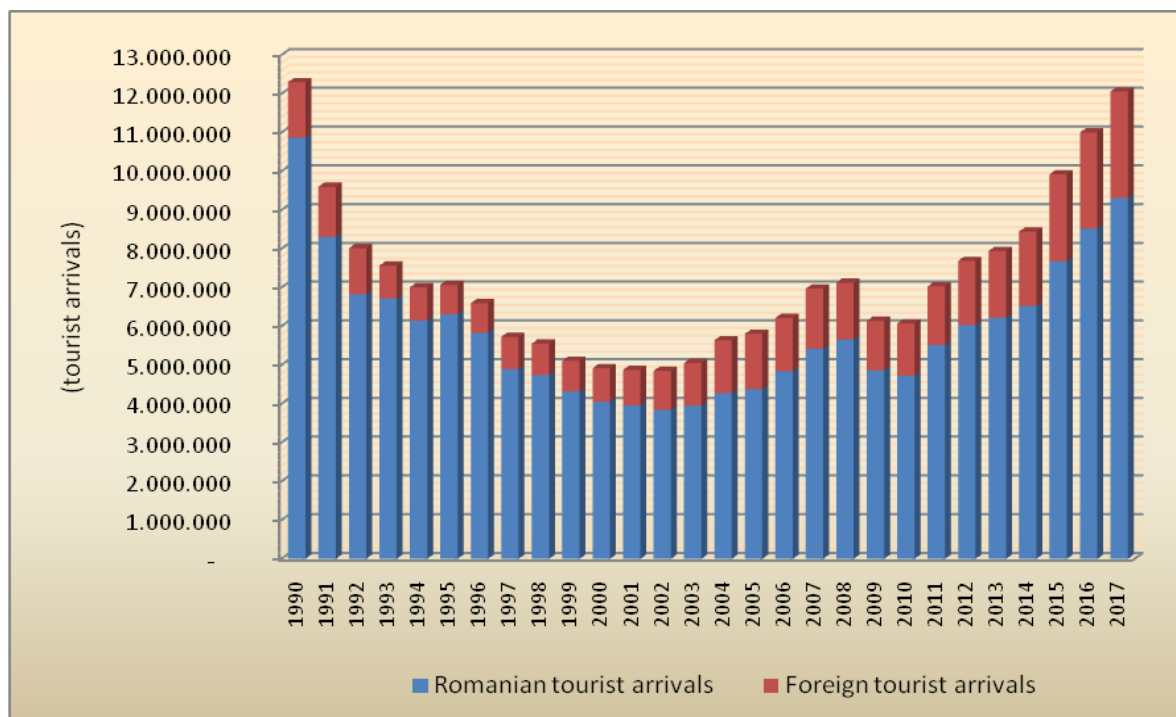
Between 2013 and 2015, the Romanian Court of Accounts conducted an audit that focused on how the National Tourism Authority (ANT), the institution that should have implemented the national tourism development strategy, managed the allocated funds. Many shortcomings were found in the structure and functioning of that institution, among which the fact that, both before and during the audited period, ANT did not elaborate and did not submit to the Government of Romania a medium and long-term strategy for tourism development. Although the Master Plan for National Tourism of Romania 2007 - 2026 was elaborated, it was not approved by a Government Decision. Another major drawback is the fact that the tourist patrimony of Romania is not known, because ANT did not elaborate the methodology of registration, attestation or the criteria to establish the tourist patrimony and implicitly did not issue certificates of tourist patrimony certification [22].

Table 1

**Evolution and structure of tourist arrivals in Romania, over the last 28 years (1990-2017)**

Year	Total tourist arrivals in Romania	Annual change (%)	Romanian tourist arrivals	Annual change (%)	Foreign tourist arrivals	Annual change (%)
1990	<b>12,297,000</b>	-	<b>10,865,000</b>	-	1,432,000	-
1991	9,603,000	<b>-21.91%</b>	8,309,000	<b>-23.53%</b>	1,294,000	-9.64%
1992	8,015,000	-16.54%	6,830,000	-17.80%	1,185,000	-8.42%
1993	7,566,000	-5.60%	6,718,000	-1.64%	848,000	<b>-28.44%</b>
1994	7,005,000	-7.41%	6,149,000	-8.47%	856,000	0.94%
1995	7,070,000	0.93%	6,310,000	2.62%	<b>760,000</b>	-11.21%
1996	6,595,000	-6.72%	5,833,000	-7.56%	762,000	0.26%
1997	5,727,000	-13.16%	4,894,000	-16.10%	833,000	9.32%
1998	5,552,000	-3.06%	4,742,000	-3.11%	810,000	-2.76%
1999	5,109,000	-7.98%	4,314,000	-9.03%	795,000	-1.85%
2000	4,920,000	-3.70%	4,053,000	-6.05%	867,000	9.06%
2001	4,875,000	-0.91%	3,960,000	-2.29%	915,000	5.54%
2002	<b>4,847,000</b>	-0.57%	<b>3,848,000</b>	-2.83%	999,000	9.18%
2003	5,057,000	4.33%	3,952,000	2.70%	1,105,000	10.61%
2004	5,639,000	11.51%	4,280,000	8.30%	1,359,000	<b>22.99%</b>
2005	5,805,000	2.94%	4,375,000	2.22%	1,430,000	5.22%
2006	6,216,000	7.08%	4,836,000	10.54%	1,380,000	-3.50%
2007	6,972,000	12.16%	5,421,000	12.10%	1,551,000	12.39%
2008	7,125,000	2.19%	5,659,000	4.39%	1,466,000	-5.48%
2009	6,141,000	-13.81%	4,865,000	-14.03%	1,276,000	-12.96%
2010	6,073,000	-1.11%	4,727,000	-2.84%	1,346,000	5.49%
2011	7,031,606	15.78%	5,514,907	16.67%	1,516,699	12.68%
2012	7,686,489	9.31%	6,030,053	9.34%	1,656,436	9.21%
2013	7,943,153	3.34%	6,225,798	3.25%	1,717,355	3.68%
2014	8,444,030	6.31%	6,532,213	4.92%	1,911,817	11.32%
2015	9,921,874	<b>17.50%</b>	7,681,896	<b>17.60%</b>	2,239,978	17.16%
2016	11,002,522	10.89%	8,521,698	10.93%	2,480,824	10.75%
2017	12,056,276	9.58%	9,307,004	9.22%	<b>2,749,272</b>	10.82%

Source: own processing of the data provided by the National Institute of Statistics: *Statistical Yearbooks of Romania; Tourism Series; Romania's Tourism. Statistical Compendium* [15, 16, 17]



**Figure 2. Evolution and structure of tourist arrivals in Romania, over the last 28 years (1990-2017)**

*Source: own processing of the data provided by the National Institute of Statistics: Statistical Yearbooks of Romania; Tourism Series; Romania's Tourism. Statistical Compendium [15, 16, 17]*

We witnessed an unprecedented increase in the number of tourists, both Romanians, but especially foreigners, over the last three years (2015, 2016, 2017). Thus, 2017 recorded the highest value of the last 27 years: 12 million tourists (a value close to the maximum value recorded in 1990), a surprising revival of the Romanian tourism. In 2015, the annual growth rate of arrivals was the highest: 17.5% overall, 17.6% for the Romanian tourists and 17.1% for the foreign tourists and continued with high values (9-11%) in 2016 and 2017. This is the result of tourism policies and reforms and, in the case of foreign tourists, we may add the insecurity in some Western European countries (France, UK, Spain, Belgium) or Turkey (the waves of emigrants and especially the terrorist attacks which started a few years ago, led to the reorientation of tourist flows to destinations considered safer, such as Poland, Hungary, even Romania and Bulgaria).

The year 2017 is probably the most prolific in terms of restructuring the Ministry of Tourism and adopting the normative acts necessary for Romanian tourism development. The former Tourism Minister Mircea-Titus Dobre (during the period January 2017 – January 2018) promised at the beginning of his mandate to double the share of tourism in GDP and discussed the need for state involvement in this field [23]. Although the public opinion was at first skeptical toward these promises coming from a member of the Social Democratic Party, however, within a year, a series of legislative measures have been implemented, resulting in doubling the share of tourism in GDP and increasing the number of tourists by 1 million:

- granting holiday vouchers of RON 1,450 for the budget sector employees, to buy holidays in Romania [11];
- implementing the Masterplan of Tourism Investments, inventoring and evaluating the incomplete investments from European and governmental funds and providing funds to complete the investments for tourism development [13];

- adopting Law no. 277/2017 for guaranteeing packages of tourism services, with effect on consumer protection and on encouraging initiatives in tourism [14];
- completing the legal framework for the functioning of Destination Management Organizations (DMOs) in tourist resorts and localities [10];
- drafting the Tourism Law in the 2017 version, which is currently under public debate [5, 21];
- establishing the Inter-ministerial Committee for Tourism (CIT) under the coordination of the Minister of Tourism, an inter-ministerial body, with consultative role, without legal personality. The aim of CIT is to promote an adequate institutional framework in order to coordinate the public policies and actions impacting on tourism at national level, to monitor sectoral developments and to formulate strategic directions accompanied by a medium / long-term action plan to improve the tourism potential [12].

### CONCLUSIONS

Tourism demand in Romania has fluctuated drastically in the last 28 years (since the Revolution of December 1989). It dropped to almost one third in the first half of the period analyzed (1990-2002), as a result of some complex economic, social, and political changes; then it recovered slowly until 2014 (with a two-year period of decrease, namely 2009-2010, due to the economic crisis). Over the last three years (2015, 2016, 2017) we witnessed an unprecedented increase in the number of tourists, both Romanians, but especially foreigners. This is the result of tourism policies and reforms, as well as the reorientation of tourist flows from traditional destinations that have been perceived unsafe, as a result of terrorist attacks in recent years.

The national tourism development strategy should be considered a milestone in Romania's tourism policy, a long-term integration of research and collaboration at an unprecedented level between the tourism industry and the Government, in order to maximize the economic potential of the tourism industry. It is about creating a policy framework (policies, strategies, regulations), infrastructure and not at last consumer protection regulations, to support the development of the tourism industry with instruments capable to ensure competitiveness in the global economy, especially regarding the European market opportunities. This requires consistency, continuity and coherence, in other words, a strategic and efficient management.

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