TOURISM AND REGIONAL DEVELOPMENT – THE CASE OF ROMANIA *

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Abstract: The policies regarding regional development in the last years took tourism more and more into account, as a strategic sector for the assurance of a dynamic economic growth of regions with an important tourism potential. Consequently, we intend to analyse the implications of the North-East Regional Development Agency in the development of Romanian tourism in the present socio-economic context, both at regional and at national level.

Key words: regional development, tourism, North-East Regional Development Agency, Romania **Jel Classification**: M19, O22, R19, R58

INTRODUCTION

Regional development is a wide circulation syntagm which spread rapidly by the so frequent use of this new concept, from the present language to the political speech, due to the fact that it means an important change, involving a new terminology to describe the new realities.

The theory of sustainable development offers the basic conceptual frame for the theory of regional development. The author Douglass C. North criticises the perspective of Edgar Hoover and Joseph Fisher (1949), who see regional development as a phenomenon on several stages (quoted by Casey J. Dawkins, 2003). He states that, in the present modern era, regional development has appeared from the sustained efforts of the capitalists who exploited the resources of a region in order to satisfy the needs from the consumption market, and not from the step-by-step progress of the subsistence economy.

According to the Law no. 151/1998 concerning the regional development in Romania (Law no. 151/1998), the main objective of the regional development policy is as follows: diminishing the existent regional unbalances by stimulating balanced development, by quick recovery of the delays in the development of the unfavoured areas as a result of historical, geographical, economic, social, political conditions, and preventing new unbalances.

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The new law of the regional development (Law no. 215/2004), enacted in 2004, defines the regional development policy as follows: "the ensemble of the policies elaborated by the Government through the institutions of central public administration, by the local public administration authorities, and by the specialised regional organisms, after consulting the socioeconomic partners involved, with the purpose to assure the lasting and balanced economic and social development of the geographical areas grouped in the development regions, to improve Romania's international competitiveness, and to reduce the present economic and social unbalances in our country and in the European Union member states".

The definition offered by the Organisation of Economic Cooperation and Development (OECD) – (http://www.mmuncii.ro/pub/.../images/...organizatii/prezentare_OCDE.pdf, accessed on the 1st of February, 2012) for regional development underlines the main characteristic of the concept, which is that of a general effort to reduce regional disparities by helping economic activities generating workplaces and wealth.

According to Pop (Pop et al., 2006), regional development has the purpose to give an impulse and to diversify economic activities, to stimulate investments in the private sector, to contribute to the decrease of unemployment, and last, but not least, to improve life standard.

Another definition concerning regional development belongs to Mateoc-Sîrb (2010), who states that regional development can be regarded as "the process by which a community becomes more responsible for problems or for its own potential, succeeding in the meantime to better organise and plan its own resources". Regional development implies the use of resources – local ones, but also the ones obtained from the national or international environment – in order to increase the general competitiveness of the territory, to increase the degree of adaptability of production and functional components to the necessities of structural adaptation, and, last but not least, to reduce the unbalances among different components of the structure of national area (Jula, 2002).

1. REGIONAL DEVELOPMENT IN ROMANIA

After the political changes from December 1989, the preoccupations for regional development started to extend quickly. In a short time, several nongovernmental organisations appeared, following the Western Europe trend.

The first regional development theory appeared as a necessity of the times when economic development was insufficient. According to Dumitrica (2012), the regional development theory



appeared both from the efforts of the economists, and of the ones responsible with planning, the objective being to understand and to characterise the processes of regional development.

During its evolution as a state, Romania met regional economic and social disparities. In the context of Europe's economic and political changes, but also Romania's, after 1989 the founding of a new conception and of a new policy concerning regional development was necessary, and already started to develop. Romania's regional development policy is nowadays an important component of the Government Program. This policy is defined in agreement with the new concept developed by the European Union, being a stage of the process of adhesion to the European structures (Ungureanu and Mateoc-Sîrb, 2009).

In Romania, the regional development theory is the basis of the elaboration of regional strategies and policies, which means that understanding the regional development concept is an essential condition in order to adhere to the European Union (Buruiana, 2009).

In order to apply the regional development policy, eight development regions were created on the whole Romanian territory.

The development regions are not administrative-territorial units; they do not have artificial personality, being the result of a free agreement between county councils and local councils. They are as follows (European Institute of Romania, http://www.ier.ro/ documente/ formare/ Politica_regionala.pdf, Regional development policy, series Micro-monographs – European Policies, p. 45, accessed on the 4th of February, 2012): the North-East development region (component counties: Bacau, Botosani, Iasi, Neamt, Suceava, Vaslui), the South-East development region (component counties: Braila, Buzau, Constanta, Galati, Tulcea, Vrancea), the South-Muntenia development region (component counties: Arges, Calarasi, Dambovita, Giurgiu, Ialomita, Prahova, Teleorman), the South-West development region (component counties: Bihor, Bistrita-Nasaud, Cluj, Maramures, Satu-Mare, Salaj), the West development region (component counties: Arad, Caras-Severin, Hunedoara, Timis), the Central development region (component counties: Alba, Brasov, Covasna, Harghita, Mures, Sibiu) and Bucuresti-Ilfov development region (Bucuresti municipality, Ilfov county).

Regional development should correlate and integrate tourism among the other local economy components (Avramescu, 2005).

At present, the Regional Operational Programme ROP 2007 - 2013 (REGIO) is one of the Romanian operational programmes agreed upon with the European Union, and a very important instrument for the implementation of national strategy and of regional development policies. It is



applicable to all eight Romanian development regions (The Ministry of Regional Development and Tourism, http://www.mdrl.ro/index.php?p=205, accessed on the 5th of February, 2012).

One of the priorities of the Regional Operational Programme implies the capitalisation of the existing tourist resources, as well as of the ones not yet introduced in the tourist circuit (tourist resources – historical, cultural, natural), and the development of the main types of tourism, with the identification of market niches, creation of new workplaces, increase of the revenues from tourist activities, and also creation of income sources in isolated, extremely beautiful areas.

The balanced development of tourism on the entire area of the country can contribute to the economic and social development, which could lead to the improvement of life quality and of life standard. Tourism could become a basic component of the national economy, determining important changes from a territorial point of view, therefore contributing to the development of the regions left behind, or lacking other resources.

Consequently, regional development is a process by which the conditions and factors influencing the community are meant to change so as, after these changes, the community could obtain high life standards.

2. PROMOTING REGIONAL DEVELOPMENT ORGANISMS IN ROMANIA

The institutional structures promoting regional development policies are at a **national level** – The Regional Development National Council (RDNC) and The Regional Development National Agency (RDNA), and at a **regional level** – The Regional Development Council (RDC) and The Regional Development Agency (RDA).

Consequently, at regional level the main institutional actors are:

The Regional Development Council, regional deliberative organism, with no artificial personality, constituted and functioning on partner principles at the level of The Development Regions, with the purpose to coordinate the elaboration and monitoring activities deriving from the policies of regional development (Regulation of organisation and functioning for the North-East Regional Development Council, published in the Official Monitory 987/27, Oct. 2004, art. 1, paragraph 1).

The Regional Development Council has the following attributions:

- It analyses and decides the regional development strategy and programmes;
- It approves the regional development projects;



- It presents to the Regional Development National Council propositions concerning the realisation of the Regional Development Fund;
- It approves the criteria, the priorities, the allocation and the destinations of the resources of the Regional Development Fund;
- It supervises the use of the funds allocated to the regional development agencies;
- It supervises the observance of regional objectives (Law no. 151 from 15th of July, 1998 concerning regional development in Romania, published in the Official Monitory 265/1998, art. 6, paragraph 2).

The Regional Development Council coordinates the Regional Development Agency, which functions in each Development Region. The Regional Development Agency existing in each development region is the executive organism of The Regional Development Council.

The Law no. 15/1998 for regional development established the institutional frame of the regional planning in Romania with the specific objective of reduction of the unbalances of economic development in the whole country. In order to attract investments, the country is divided in eight regional development agencies (http://www.mdrl.ro/_documente/tourism /studii_strategii/ masterplan_partea 2.pdf, accessed on the 20th of May, 2012).

The Regional Development Agencies (RDA) are constituted as non-governmental, non-profit organisms of public utility, with artificial personality, functioning in the field of regional development. They are partners with The Ministry of Regional Development and Tourism, responsible with the elaboration of Regional Development Plans, as basis for the elaboration of The National Development Plan, and then for the approval by The Government of The National Development Plan. They have the role of authorities implementing the measures established within the priority of the National Development Plan concerning regional development. RDAs elaborate the regional development strategies and programmes, and, after their approval by The Regional Development Council, and then by The Regional Development National Council, they have the role of their implementation.

The Regional Development Agency has the following attributions (Law no. 151/1998 concerning regional development in Romania, and the situation of the unfavoured areas, Autonomous Administration, Bucuresti, 1999, p. 8):

• It elaborates and proposes to The Regional Development Council (from that region) the approval of The Regional Development Strategy, regional development programmes and funds administration plans;



- It assures the application of the regional development programmes and of the funds administration plans, according to the decisions adopted by The Regional Development Council, with the observance of the present legislation;
- It identifies the areas with problems within the development regions;
- It assures the technical speciality assistance to the natural or artificial persons, with public or private capital, investing in unfavoured areas;
- It sends to the National Authority for Regional Development from The Regional Development
 National Fund the financing propositions of the development projects approved;
- It attracts financial sources from The Regional Development Fund;
- It administrates The Regional Development Fund with the purpose of the objectives provided in the regional development programmes;
- It is responsible for the correct administration of the funds allocated.

The Director of The North-East Regional Development Agency is appointed after an examination, and is relieved of function by The Regional Development Council.

The financing of the expenses of organisation and functioning of The Regional Development Agency is assured by The Regional Development Fund, their level being approved by The Regional Development Council (http://eufinantare.info/po/agentii_regionale.html, accessed on the 10th of February, 2012).

These institutions had, from the beginning, the duty to cooperate for the elaboration of a development strategy at national and regional level. This strategy was based on the analysis of the economic situation, which allowed the formulation of principles and objectives on medium and long term, with the establishment of priorities. The strategies elaborated from 1998 up to present have started, indeed, from economic and social analyses, have stated objectives and measures considered of priority, but they have not stated the financing sources, and the necessary resources (human, material, financial, informational), and the ones available which could be used (Mihaila, 2009, p. 14).

It is obvious that at regional level, each RDA identifies the regional priorities, consequently acting for the elaboration and implementation of the programmes. According to the authors Ionescu and Toderas (2007), regional disparities should be eliminated, first at national level, then at community level.

The Law no. 315/2004 concerning regional development in Romania states that The Regional Development Agencies are Intermediate Organisms for The Regional Operational Programme specific to the period 2007-2013.



The Ministry of Regional Development and Tourism, as a Management Authority, delegates attributions to The Regional Development Agencies, as Intermediate Organisms, with the purpose to implement The Regional Operational Programme. These attributions have a major impact on the absorption of structural funds in Romanian development regions. Among the main attributions delegated are: information, advertisement, and *help-desk* (point of information and support for applicants and beneficiaries); development of project portfolio; participation in the process of project evaluation and selection, signing contracts with the beneficiaries; monitoring and checking the implementation of projects financed through ROP 2007-2013 (http://www.fonduristructurale.ro, accessed on the 10th of February, 2012).

3. THE IMPLICATIONS OF NORTH-EAST REGIONAL DEVELOPMENT AGENCY IN THE DEVELOPMENT OF ROMANIAN TOURISM

3.1 Implications at regional level

Starting with 1999, North-East Regional Development Agency was established as Implementation Authority for components of the PHARE Programmes Economic and Social Cohesion (ESC) 1998, PHARE ESC 2000, PHARE ESC 2001, PHARE ESC 2002, PHARE ESC 2003, PHARE ESC 2004-2006, and as Contracting Authority for programmes financed by the Romanian Government (North-East Regional Development Agency, http://www.adrnordest.ro/index.php?page=PROGRAMMES_PRESENTATION, accessed on the 30th of May, 2012).

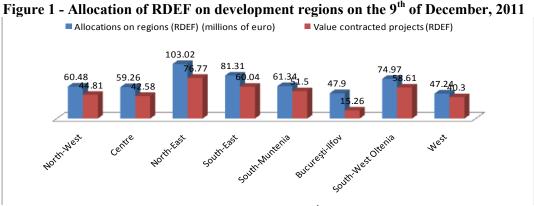
If the first projects implemented were oriented towards supporting the Small and Medium Enterprises (SME) sector, human resources development and tourism, gradually the development programmes diversified, including support of direct investments in micro-enterprises and SME, development of educational and business infrastructure, support of social services.

As an Intermediate Organism for The Ministry of Regional Development and Tourism, The North-East Regional Development Agency (http://www.inforegionordest.ro/ documente /adrnordest/buletin/ pdr_nord_est_2007_2013.pdf) administrates the funds allocated to the region, in the field of infrastructures of transport, tourism, business support and services, social services and urban development. In what concerns regional projects, the agency acts as a leader or partner in wide projects with the purpose of socio-economic development of the region as a whole.

At regional level, The North-East Regional Development Agency involved itself in a series of projects with the purpose to capitalise the economic resources of North-East Region. One of the



operational programmes intending to support Romania's development is The Regional Operational Programme, known as REGIO. This programme is applicable to all eight development regions of Romania. REGIO's purpose consists in "support and promotion of local lasting development" in Romania's regions (Butnaru and Timu, 2011). After five years from its start, The Regional Operational Programme 2007-2013 registered a good development in what concerns the implementation in North-East Region. Axis 5, Lasting development and tourism promotion, from ROP, finances projects in three fields of intervention: Field no. 5.1 - Restoration and lasting capitalisation of the cultural and historical patrimony, as well as creation/modernisation of the related infrastructures, Field no. 5.2 - Creation, development, modernisation of specific infrastructure for lasting capitalisation of natural resources and for the increase of the quality of tourist services, and Field no. 5.3 - Promotion of the tourist potential, and creation of the necessary infrastructure with the purpose of increasing Romania's attractiveness as a tourist destination. The budget allocated to Axis 5 represents 15% (Butnaru and Timu, 2011) of the total allocated to the Regional Operational Programme. In what concerns the funds allocation for Axis 5, Lasting development and tourism promotion, fields no. 5.1, and 5.2, respectively, we can notice in fig. 1 that most of the funds were distributed to the North-East Development Region, with a maximum of 103.02 million euro of the total of 559.28 million euro allocated to tourism from the Regional Development European Fund (RDEF). From this it absorbed approximately 75% (until December 2011), which is due mainly to the fact that The North-East Development Region is the poorest region of the European Union. The South-East Development Region was situated on the second place from the point of view of the quantum of funds allocated for tourism component. On the background of the importance granted to tourism, under the aspect of the volume of accessed funds, we notice their relatively balanced distribution in territory.



Source: Processed according to ROP Implementation Stage on 30th of May, 2012, Official site of the Ministry of Regional Development and Tourism



From the data presented by ROP Intermediate Organism, The North-East Regional Development Agency, it results that this operational programme registers in 2009 an adequate rhythm for implementation in North-East Region, which is demonstrated by the nine projects contracted.

The chart below indicates, by the 33 projects contracted until the 31st of December 2011 that the North-East Region was on the first place in the country concerning projects contracted in the field of tourism.

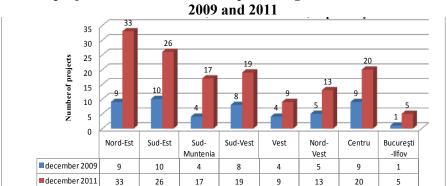


Figure 2 - Number of projects contracted on development regions in the field of tourism in December 2009 and 2011

Source: Processed according to ROP Implementation Stage on 30th of May, 2012, Official site of the Ministry of Regional Development and Tourism

3.2. Implications at national level

At the national level, in the interval between 2007 and 2011 The North-East Regional Development Agency was involved, together with the other RDAs in nine REGIO projects. Many of these projects have the purpose of lasting restoration and capitalisation of the cultural patrimony, as well as development and modernisation of tourism infrastructure.

By the implementation of the project "Modernisation and extension of accommodation structures and of related utilities within the tourist complex Pelican, Murghiol - Tulcea" (http://www.mdrt.ro/userfiles/plati_por/5_2.pdf, accessed on the 5th of July, 2012) it is intended to diversify the services offered by the accommodation structures and the related utilities within the tourist Complex Pelican, as well as to improve the services offered. At the end of the implementation period, the Complex could offer to the tourists over ten new standard structures of three stars (as compared to one star, the present classification). This will lead to the extension of the yearly functioning period of the Complex (to approximately eight months per year, as compared to

five months during the last years), and to the attraction of new segments of tourists (companies, big groups of agencies and tourism operators, foreign tourists).

Another REGIO project has the purpose of "Rehabilitation of the old historical centre of Arad municipality (http://www.civar.ro/rezumatProiect, accessed on the 5th of July, 2012) through the lasting rehabilitation and capitalisation of the cultural-historical patrimony. The project will contribute to the saving and regeneration of patrimony objectives for Arad, and will transform the county from a mainly transition destination to a tourist destination.

The project "Circuit of North Transilvania medieval fairs - Karolyi Castle from Carei, Karolyi Castle (Fortress) from Ardud" (http://www.nord-vest.ro/galerie-foto/Circuitul-targurilor-medievale-din-Transilvania-de-Nord---Castelul-Karolyi-din-Carei-Castelul-Cetatea-Karolyi-din-Ardud--eID31.html, accessed on the 4th of July, 2012) has the general objective of lasting capitalisation of the cultural and architectural patrimony in North Transylvania, implicitly the increase of tourist attractiveness of the region by optimum capitalisation of regional resources. The results of the project seem to be of great impact: reintegration in the tourist circuit of a cultural and architectural patrimony of national value, optimum correlation and capitalisation of cultural, historical and architectural regional resources, increase of the number of tourists in the region, creation of a regional tourist brand, urban revitalisation, local economic development, and tourism lasting promotion.

The objective of the project "Rehabilitation and extension of tourist infrastructure in the town Rupea"

(http://regio.adrcentru.ro/Document_Files/COMEvenimente/00000843/nvpxv_Prezentare20REGIO %20Cetatea%20Rupea.pdf, accessed on the 30th of June, 2012) had the purpose to stimulate the economic development of the area by the capitalisation of tourist, cultural, historical and natural potential. The project also has four specific objectives: lasting restoration and capitalisation of the fortress, as well as modernisation of the infrastructure related to the access to the monument, development of tourist potential of the area, average increase of the yearly number of tourists with over 5%, and extension of the tourist season with more than three months per year.

CONCLUSIONS

Tourism is present in our lives, and it emphasises, by its content and role, a different field of activity, a basic component of the economic and social life, for a growing number of countries from all over the globe.



In Romania, after 1989, along with the transition to the market economy, different changes affected tourism in particular. Consequently, people sought solutions to revive this field of activity, by the elaboration of development policies and marketing strategies.

Therefore, for the European Union, tourism represents economic activities with strategic character. In what concerns our country, Romania engaged itself by signing the agreement of adhesion to EU. Consequently, the adhesion is an impulse for the development of Romania's economic and cultural patrimony. The period between 2007 and 2011 brought changes in the Romanian tourism in what concerns the accommodation capacity, the number of tourists' arrivals and check-ins, which registered higher values as compared to the period previous to the Regional Operational Programme 2007-2013.

The analysis shows that the main beneficiaries of European funds in tourism from the North-East Region are local public administrations, county councils, city halls, and private beneficiaries.

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