

THE PERCEPTION OF TOURISM DEVELOPMENT IN WEST REGION OF ROMANIA

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ABSTRACT: *The main goal of this study is the evaluation of impact perception upon West region of various programmes that have financed the development of touristic projects.*

KEY WORDS: *tourism; economic development; European funds; employment; investments.*

JEL CLASSIFICATION: *G32; H54; O11; O12.*

International economic integration represents a major characteristic of global economy evolution and a target of European and Romanian economy.

The history of specialized literature has proven that in some stages the agriculture has been seen as an important source of economic growth, industry was considered a prime source of development, and now staple industries and services in top fields, based on advanced technologies, and also tourism to play an essential role. Of course these sources should be seen differentiated according to the region's level of development, its potential, international, national and regional context where strategies and local policies are implemented and financing sources are used.

Therefore, for economic recovery, we consider that an important point in the strategy of regional development of West area is tourism development, a goal that can be achieved mostly by financing this important field with European funds.

The impact of European funds upon real convergence of European Union is a very analysed and debated subject, and the final conclusions show the fact that there is a positive correlation between structural funds, economic growth and occupancy at region level. The role of structural funds is basically co-financing investments in human and physical capital, with and impact upon demand and labour force occupancy (Ignat & Paraschiv, 2009, pp. 138-139).

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West Region is considered a developing region with significant economic results but which still confronts with economic and social problems. West Region of Romania is comprised by Banat historical province and adjacent areas and has a total area of 32034 km².

Romania and West Region benefit of European financing resources, which were aimed among others for tourism, in pre-accession phase and also after.

So between 2000 and 2008, touristic projects were financed by Phare and National Fund for regional development.

Phare program is one of the three instruments of pre-accession used by European Union to assist candidate countries from Central and East Europe to European Union. Created in 1989 to help just Poland and Hungary, the Phare Program was directed to a group of ten countries: Poland, Hungary, Slovakia, Slovenia, Bulgaria, Romania, Czech Republic, Estonia, Latvia and Lithuania.

The main target of this study was the evaluation of the impact upon West Region of different PHARE programs and of those financed with National Fund of Regional Development carried out between 2000 and 2008.

So during the period 2000-2008, in West Region have been financed by PHARE programs and NFRD a total number of 422 projects in a total amount of 101662482 Eu, the distribution of these funds over counties being balanced.

Table 1. Projects financed by PHARE programs and NFRD in West Region, including tourism, in period 2000-2008

Area	Number of projects	Value of projects-euro	Tourism projects %
West Region	422	101.662482	
Timiș	91		8%
Arad	55	25.540.424	6%
Hunedoara	165	25.868.373	12%
Caraș Severin	99	24.808.719	4%
More that one county	11	638.524	0%

Source: data processed by authors

The rate of sums allocated to tourism in West Region and in its counties represents approximately 8%.

In the tourism sector, a total number of 23 financed projects have been implemented between 2000 and 2008, by private sector, public sector and also NGO institutions. Private sector wins by far the first place with 74%.

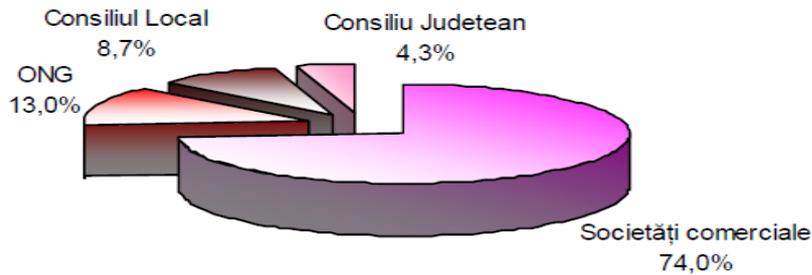


Figure 1. Kind of institution who financed tourism project

County distribution of the funds shown in figure no. 2 points out the fact that Hunedoara and Caras Severin counties have a higher rate of 35% ,respectively 30%

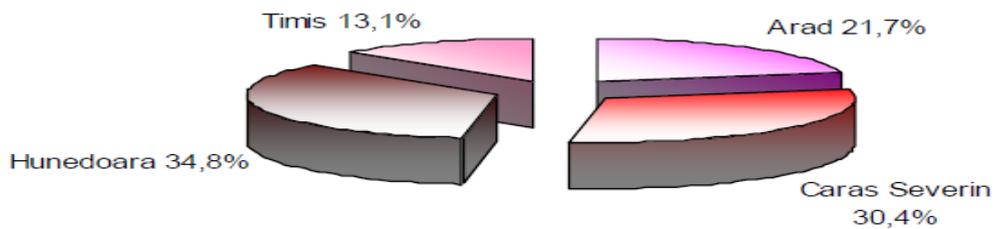


Figure 2. Distribution on County of Tourism Project in period 2000-2008

Analysing the type of financing in 2000-2008 can be observed the preponderance of national funds.

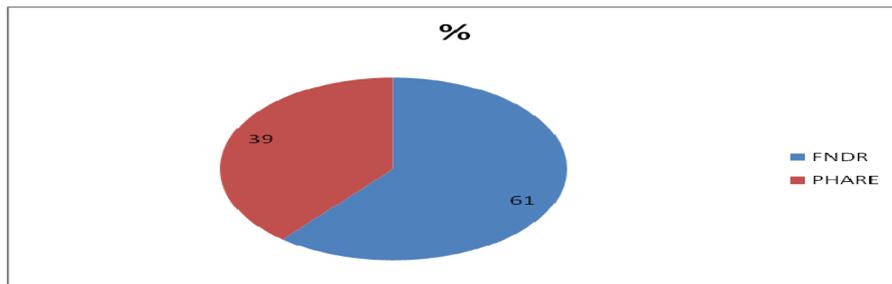


Figure 3. Tourism component –kind of finance

Between 2007 and 2013 Romania has benefit from European funds within the Regional operational programme.

The Regional Operational Programme 2007 - 2013 is one of the Romanian operational programmes agreed with the European Union and a very important tool for implementing the national strategy and the regional development policies. It is applicable to all eight development regions of Romania.

In West region at the Regional Development Agency West which is an intermediary organism for the implementation of Regional Operational Programme 2007-2013, until May 2012 have been put in 713 projects in view of demanding non-refundable funds by Regional Operational Programme (ROP 2007-2013). Financial allocation for the West Region, administrated by Regional Development Agency West, is 417,92 million Euros.

Table 2. Total project in West Region financed by Regional Operational Programme in 2007-2013 period

	Value of projects in 2008	Value of projects in 2009	Value of projects in 2010	Value of projects in 2011	Value of projects in 2012
West Region	191167298.11	461209122.55	815213986.25	819905776.18	459974268.19
Timiș	104863344.26	33300993.99	295934198.12	288248858.31	164398748.99
Arad	73274179	62938398.93	209215159.75	200032464.42	59541416.84
Hunedoara	13029774.85	239663662	283707321	253607833.9	105231826.93
Caraș Severin		124306717.36	26357307.38	78016619.55	130802275.43

Source: data extracted from ADR Vest and processed by authors

In order to finance tourism projects has been open a special axis, respectively Priority Axis 5: Sustainable development and tourism promotion, which financial allocation was 47.74 million Euros. Within the Axis that targets financing tourism there are 2 branches:

- ✚ Restauration and sustainable exploitation of cultural patrimony, and also creation/modernisation of related infrastructure
- ✚ Creation, development and modernization of tourism infrastructure for exploitation of natural resources and rising the quality of touristic services

For first branches „Restauration and sustainable exploitation of cultural patrimony, and also creation/modernisation of related infrastructure” Financial allocation was 25.32 million Euros.

Table 3. Projects for Restauration and sustainable exploitation of cultural patrimony, and also creation/modernisation of related infrastructure

Project	Number of project	Non-refundable value- million Euros
Total projects	18	64,83
Contracted projects	4	31,80
Standby projects	5	6,06
Rejected projects	9	26,97

Source: data extracted from ADR Vest

Non-refundable funding applied for by these projects exceeds with 49.53% regional allocation.

For second branches „Creation, development and modernization of tourism infrastructure for exploitation of natural resources and rising the quality of touristic services” Financial allocation was 25,91 million Euros

Table 4. Projects for Creation, development and modernization of tourism infrastructure for exploitation of natural resources and rising the quality of touristic services

Project	Number of project	Non-refundable value million Euros
Total Projects	30	91,83
Contracted Projects:	8	29,10
Standby Projects	5	18,37
Rejected Projects	17	44,36

Source: data extracted from ADR Vest

Non-refundable funding applied for by these projects exceeds with 83,21% regional allocation.

After projects implementation in tourism domain, financed by european funds since 2000 till present, there are several direct effects:

- new jobs created
- new tourists
- new services and products
- qualified personnel
- rehabilitated and new infrastructure
- modern leisure time spending areas.

The inquiry has been realized by using questionnaire as an instrument of investigation. The target group is made out of tourists in a proportion of 60% and 40% is from promoting organizations of services and touristic offer.

The questionnaires have 24 questions, of all types: closed, open, variable, filter and appreciation scale. Filling the questionnaire was estimated to take about 10 to 13 minutes. Sending the questionnaires was mad by post. After receiving the questionnaires from the respondent there were created data bases by introducing the information from the questionnaires. To analyse the data, statistic analysis software like SPSS 16 and Microsoft Office Excel were used.

Percentage distribution of the actual activities achieved after the financing by European funds of afferent actions of tourism show the following:

- promoting activities of touristic area with web pages, tourism publications, flyers
- activities of touristic consultancy
- development and modernization of accommodation units
- personnel training in tourism
- investments in equipment.

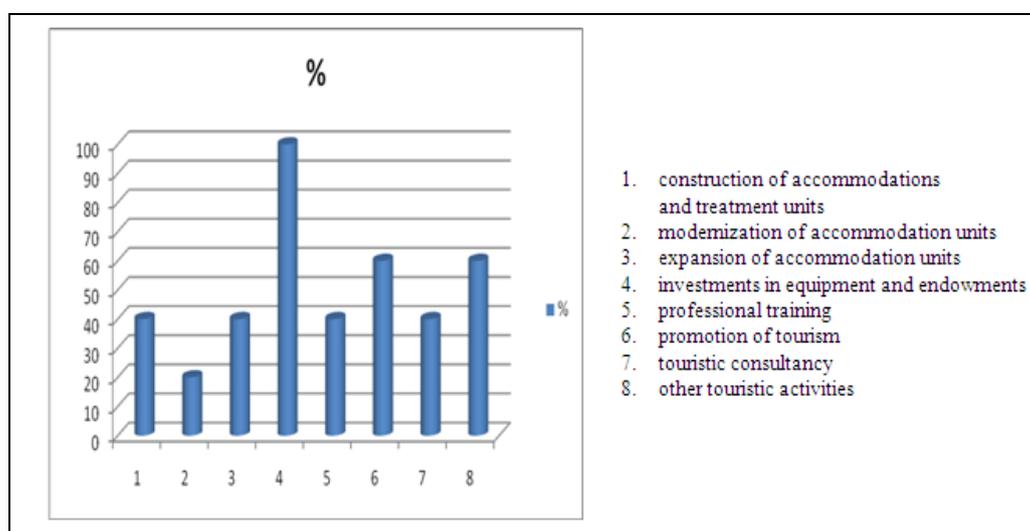


Figure 4. Percentage distribution of the actual activities achieved after the financing by European funds

At impact level of the analysis it has been followed the way the projects influenced the development of tourism. Therefore, the respondents have been given an appreciation scale of the impact of financing touristic activities. Within the analysis of the results of questionnaires the following results revealed:

- the impact upon growth of satisfaction factor of tourists was considered strong 40%;
- the impact upon tourism promotion, was considered powerful and medium 40% ;
- the impact upon quality of touristic services was considered strong 60%;
- the impact upon growth of tourist number was medium;
- the impact upon diversifications of touristic offer was considered strong and medium 40%;
- the impact upon improvement of access infrastructure to touristic objectives is strong.

Table 5. Appreciation of financing impact of tourism activities

Question	None	Poor	Medium	Strong	Very strong	Not the case
Diversification of touristic offer	0%	0%	40%	40%	0%	20%
Promotion of touristic area	0%	0%	40%	40%	0%	20%
Growth of hotel occupancy	0%	0%	60%	20%	20%	0%
Development of touristic objectives	0%	20%	60%	0%	0%	20%
Growth of tourists satisfaction	0%	20%	20%	40%	0%	20%
Growth of services quality	0%	0%	20	60	0%	20

Growth of reservation number/day	0%	0%	60%	20%	0%	20%
Improvement of touristic infrastructure	0%	40%	60%	0%	0%	0%

In the following table are presented the average numbers and standard deviation values resulted by every indicator appreciation of the impact. The appreciation scale allows an average of rank of a minimum 1 for a very poor impact and a maximum 5 for very strong impact.

Table 6. Average numbers and standard deviation values resulted by every indicator appreciation of the impact

Question	Average	Standard deviation
Unemployment decrease	2,5	0,7
Diversification of touristic offer	3,5	0,5
Promotion of touristic area	3,5	0,58
Growth of hotel occupancy	3,25	0,5
Development of touristic objectives	2,75	0,5
Growth of tourists satisfaction	3,25	0,96
Growth of services quality	3,75	0,5
Growth of reservation number/day	3,25	0,5
Improvement of touristic infrastructure	2,0	0

Also the respondents assessed the overall impact level of the unrolling projects and the way in which the projects helped to development of organization:

- from the point of view of overall impact related to program objectives, 43% assessed a strong level, this situation being reflected also in the level of obtained average (3.4) with a standard deviation value of 0.89;
- from the point of view of impact upon development of organization was assessed an average level of 37% and subsequently strong (31.3%), this generating a decrease of the average to a value of 3.8 for a standard deviation of 0.84.

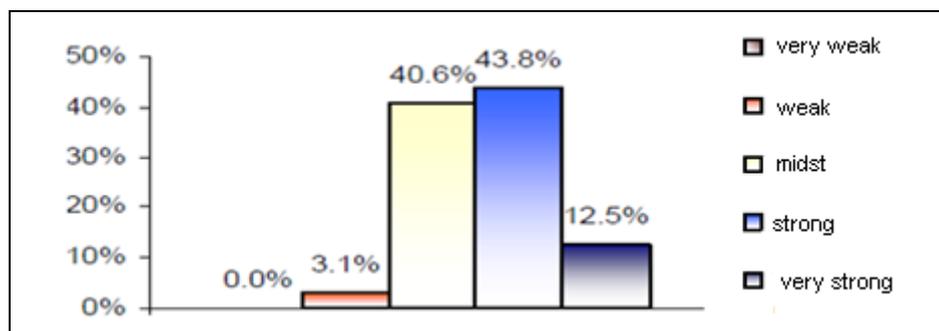


Figure 5. Assessing the impact of financing

In conclusion, the perception tenderers and tourism consumers is strongly positive concerning the favourable impact of European funds in development of touristic West Region. Therefore, regional economic development, seen as an economic progress factor needs at national level but especially at regional level, important financial non-refundable resources.

Structural instruments of European Union can contribute decisively to modernization and development of tourism and to ensure of a durable development in Europe.

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