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ENTREPRENEURSHIP IN TOURISM AND FINANCING THROUGH THE REGIONAL OPERATIONAL PROGRAMME

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Abstract

The European Structural Funds have stood, as early as their very establishment back 1957, for a tool of economic and social harmonization of the Member States of the European Union. The comprehensive process of restructuring and reorganizing the process have led, in time, to emergence of new priority axis and key areas of intervention adapted to the real needs of the single European market. Whether aimed at developing the human resources, improving or creating the specific infrastructure or at fostering entrepreneurship, the Structural Funds have always pursued plugging in the development gaps at both regional and national level. In the depicted background, tourism appears as one of the priority areas for allocation of the European funding. Moreover, fostering entrepreneurship in tourism by allocating Structural Funds entails not only putting in place circumstances fostering establishment of new business entities, but also supporting any initiative which intends to enhance innovation and competitiveness of the existing companies.

Further to the investigation of the current progress of the research in the industry, which relied on studies of both foreign and Romanian researchers, a niche has been articulated and become the topic of concern for this article. Thus, the main objective of the article is to determine the immediate effects of accessing the funds available under the Regional Operational Programme (ROP) for the tourism business environment, as a catalyst for entrepreneurship in the respective industry. Subsequent to researching the current economic context of tourism in terms of the specific indicators, a closer look was taken into the use of the Structural Funds under the ROP throughout the recently ended reporting period: 2007-2013. The data produced was correlated with the SPSS econometrics software. The key outputs include the degree and intensity of the influence of these financial instruments on the tourism business environment, in the shape of future trends, and are listed in the closing section of this article.

Keywords: entrepreneurship, tourism, structural funds, Regional Operational Programme.

JEL Classification: L26, L83, O19

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Introduction

This article tackles the Structural Funds in terms of the part they play in stimulating the business environment and the entrepreneurship in the travel and tourism industry. Entrepreneurship has been long debated in the technical literature, with the first use of this term dating back in the last days of the 19th century. The initial emphasis placed mainly on the process nature of entrepreneurship was to be replaced, as the scientific research was advancing, by a new approach having the entrepreneur as the centrepiece and highlighting the features thereof. Similarly, another step was taken away from a definition given to the term as the action of establishing new business entities, towards looking at it in terms of the innovative character of the existing companies and their capacity to adapt to the dynamic needs of the market. The concept of tourism entrepreneurship is tackled, within the technical literature, also in respect of its social characteristic - the partnerships in the tourism industry.

The Structural Funds, as a tool to support social and economic development and means to plug in the regional gaps, have been approached in the scientific literature in particular in correlation with their three key objectives. Nevertheless, too many times the focus is placed on the mismatches between the Funds themselves and their practical results.

A look into the tourism, the European Structural Funds and the entrepreneurship technical literature (both generally and particularly concerning tourism) has pointed to the need to approach new research directions, as discussed in this article.

The study undertaken aims to explore the immediate effects of accessing and using the European Structural Funds on the current context of tourism, highlighting the influences thereof on the tourism entrepreneurship. To this end, it employed the correlation statistical method and uses the SPP econometrics software to process the data.

The structure of the article is as follows: literature review, tourism dynamics at regional level and the structural funds, research methodology, results and discussion, conclusions.

1. Literature review

The concept of entrepreneurship

In the beginning of the 19th century, a French economist, Jean-Baptiste Say, explained the practice of the entrepreneur as being the process that involves moving economic resources from an area of low efficiency to another one with higher efficiency and superior profit. (Chaston, 2009) Schumpeter (1934) understood entrepreneurship as a “meta-economic event”, which leads to an important change in the market, due to the introduction of a new technology.

Shane and Venkatamaran (2000) explain that entrepreneurship presumes that opportunities are being discovered, evaluated and exploited with the purpose of creating goods and services; also they argue that it is a process that can happen within existing ventures or by creating new ones, and it involves several dimensions, such as the environment, organizations and individuals.

The more recent literature includes, in defining the concept of entrepreneurship, the attributes of entrepreneurs who are described as risk-takers and innovative. Hisrich (2013),

for example, redefine entrepreneurship as the process of generating something different while dedicating the required time and effort and taking the affiliated risks.

Many scholars explain the process of entrepreneurship by describing the attributes and the multiple roles of an entrepreneur in opposition to the ones of a manager. The next subsection capitalizes on this.

When considering the prospect of starting a new business, the entrepreneur will basically make the decision for self-employment and has to prepare himself for owning a small business. (Hatten, 2012) He explains that owning a business is the best way to combine and fulfil personal and professional goals; however the shortcomings, as well as the payoffs should be taken into consideration.

Entrepreneurial know-how and managerial ‘savoir-faire’ are different. Kirzner (1973) perceives entrepreneurship as the action of “discovering” an opportunity that is available and likely to produce profit. Entrepreneurs analyse the current production processes and try to redirect or rearrange them to better fulfil the queries of the consumers. Kirzner (1973) explains that entrepreneurs are creating what managers are then supposed to manipulate, so they are basically not operating in the normal setting of the production process. In the meantime, managers take the given prevailing production task and attempt to discover the combination of capital, labour, and property that can bring the highest profits. (Krueger and Brazeal, 1994)

Entrepreneurship – a vital element for the tourism industry?

Throughout the years, statistical reports have shown that tourism development influences greatly the overall economic growth and represents a real boost for local entrepreneurship. As a consequence, across both developed and developing countries, the encouragement of entrepreneurship and sustainable tourism development has materialized into essential areas for policy support and donor-assisted funding. (Taskov et al, 2011) Ateljevic and Page (2009) have come to the conclusion that the academic contribution to identifying and understanding the critical linkages between entrepreneurship and tourism is quite insignificant and that this area of research has been neglected. They argue that this resulted into the two themes having progressed on different pathways and rarely has any major crossover occurred in each of their literatures to generate the development of a new merged concept.

However, any basic economics course will teach the generally agreed idea that SMEs are the engine of any economy. Ball (2005) reinforces that notion, saying that through their small and medium businesses, entrepreneurs can have a strong influence in the success of any industry. He, then, explains that an entrepreneurial approach might be even more appropriate and important for sectors like hospitality, leisure, sports and tourism, as these areas are highly dependent on the rapid and constant change in consumer behavior. Hatten (2012) agrees that small independent businesses take advantage of the low barriers to entry the services market and demonstrate a lot of flexibility when it comes to satisfying the diversity of customer demands, by offering tailored services. This idea combined with Drucker’s (1985) argument that entrepreneurship can be seen as a “driver of change, innovation and employment”, makes Ball’s (2005) statement a very logical one – “entrepreneurship is crucial to meeting the rapidly changing demands of hospitality, leisure,

sports and tourism consumers” – as it seems to be the only way of bringing innovative products, on the market, that catch the eye of a more pretentious consumer.

Specific practices in tourism entrepreneurship: institutional and collective

When analyzed in the context of tourism development, entrepreneurship takes a more complex shape and embraces different forms of innovation that are interconnected and usually, undertaken by different agents – individual or collective. (Hatten, 2012) The successful expansion of the touristic activity in any location is usually underpinned by making that destination as appealing as possible for potential visitors. (Bateson and Hoffman, 2011) Ateljevic and Page (2009) argue that as a consequence of being driven by common goals, stakeholders have started to work together, in different forms of partnerships, which gave birth to the so-called ‘collective entrepreneurship’. They explain that collective entrepreneurship is not necessarily a new practice, but in the last decade, stakeholders have been forced to search for their entrepreneurial side, due to the strong competition between destinations, the change in market trends and the lack of financial support coming from governments. Spear (2000) makes a good point in his definition of collective entrepreneurship, emphasizing the fact that agents working together are not necessarily driven by a collective motivation, as it is in everyone’s human nature to be motivated by own personal interests.

Ateljevic and Page (2009) describe the institutional entrepreneur as a charismatic agent, with leadership skills and a clear vision and exemplify it with “the manager of a regional transport office, local authority representatives, and all institutions that are linked directly or indirectly to tourism”.

Deakins and Freel (2003) argue that some touristic destinations have been revitalized by ethnic minority entrepreneurship, which has increasingly evolved from being solely concentrated in the catering, retailing and clothing industries to being associated with the nascent industrial sectors.

It is obvious that the need of understanding the importance of entrepreneurship in tourism and related industries has become an increasingly interesting topic of research and study, as service providers have to capitalize on their entrepreneurial abilities and techniques, in order to be able to respond adequately to the greater demands that come along with the higher expectations of their consumers.

Structural Funds as a tool to foster entrepreneurship in tourism

European integration (Rodriguez-Pose and Fratesi, 2004) brought along development of European regional support systems by putting in place the European Structural Funds aimed at making a contribution to attainment of the European economic policy and social cohesion, plugging-in the gaps in respect of regional development and the standards of living of citizens of the European Union’s Member States. Since the very early days of the European Community (European Commission, 2011b), that is to say back in 1957, the need to have the economic unity of the Member States consolidated has been expressly and constantly asserted.

The first objective (European Commission, 2011c) of the European Regional Development Fund (ERDF) is to promote the development and structural adjustment of regions whose development is lagging behind the developed States of the European Union. Secondly, the ERDF aims to support the economic and social conversion of areas experiencing structural difficulties. Thus, the European regional support (Ederveen, De Groot and Nahuis, 2006) has been brought up in parallel with European integration. The funds designed for a better economic and social cohesion within the European Union has doubled in relative terms as of the late 80s, rendering the development policies the second most important policy area in the EU. Most of the development funds have been allocated to the regions covered by the first objective, that is to say whose GDP per capita remain below the threshold of 75% of the EU average. These endeavours have not been spared by criticism though; in their study of 2006, Ederveen et al researched the dilemma of the lack of regional convergence and the slow growth of the regions against the desired pace. Four years later, the same conclusion was reached in the study carried out by Beckera, Eggerb, and Von Ehrlich in 2010. They highlighted a significant growth of the GDP per capita, as well as but an immaterial impact on the unemployment level.

Unlike the first two objectives, the third one does not have a regional coverage; it refers to adaptation and modernization of education, training and employment policies and systems at national level. It considers the European employment strategy and serves as a reference framework for all the actions taken to promote human resources. This objective is funded under the European Social Fund (ESF) which targets key areas of action, such as long-term unemployed, youth and women employment integration, as well as enhancement of the education and research system. These issues are featured also in Europe 2020, the EU Member States' growth strategy; for the period 2014-2020 (European Commission, 2011a), EU shall invest a total of EUR 352 billion in the regions of the European space.

The Regional Operational Programme (ROP), funded from EFDR-type EU Structural Funds, is the only multi-sectoral operational programme which supports individual and integrated project initiatives with manifest effects on regional and local development. (INFOREGIO, 2014, p. 9) It is also one of the first operational programmes deployed in Romania with the approval of the European Commission.

The ultimate objective of ROP Regio (INFOREGIO, 2009, p.17) is to "support a territorially balanced and sustainable economic and social development of the regions in Romania by focusing on the urban growth poles, improving the infrastructure and the business environment as pillars of economic growth in order to render the regions of Romania more attractive for both the investors and the population".

The budget allocated (INFOREGIO, 2014, p.10) to the reporting period 2007-2013 was of approximately EUR 4.4 billion, of which the funding from the European Funds accounts for 85%, whereas the one from domestic funds for 15%. Thus, the Regio Funds have been distributed differentiated across the development regions of Romania with the aim of plugging in the economic and social development gaps between them by means of an integrated approach which targeted including fostering entrepreneurship. The six priority axis were as follows: support to sustainable development of cities - urban growth poles, improvement of regional and local transport infrastructure, improvement of regional and local transport infrastructure, strengthening the regional and local business environment, sustainable development and promotion of tourism, technical assistance.

The reasons for granting financial support to tourism development are to be found in ranking travel and tourism as a priority regional development area in the National Regional Development Strategy (INFOREGIO, 2014, p. 24). Thus, the fifth axis, under the key area of intervention (KAI) 5.2 *Creating, developing and streamlining the tourism infrastructure*, aims, *inter alia*, to turn to account the tourist attractions in the various areas of the country in order to foster establishment and development of local companies and entrepreneurship. Thus, (INFOREGIO, 2009, p. 17) the applicants eligible to access the funds allocated under this KAI were, together with the administrative and territorial units, also the small (including microenterprises) and medium-size enterprises active in tourism and/or connected activities. In what the project monitoring indicators are concerned, we see the newly-established, modernized or extended leisure facilities, broken down on urban and rural, holding top positions under KAI 5.2. The majority of funding agreements (KPMG, 2014, p. 243) under KAI 5.2 were signed with private beneficiaries, tourism entrepreneurs, which accounted for a more than 55% of the total grants. Moreover, the quantitative research undertaken by KPMG between September-October 2013 (KPMG, 2014, p. 219) highlighted the high popularity of KAI 5.2 among the interviewed subjects in terms of the intention to further access such; approximately 23% of them voiced their intention to access the funds under KAI 5.2. The peak percentage in this category was 31% achieved again by an area of intervention pertaining to the priority axis 5 which is tourism-oriented: *KAI 5.3 Promoting tourism potential and creating the necessary infrastructure*.

During the reporting period 2007-2013, the priority axis 5 was allocated EUR 879,715,679, accounting for 20% of the total amount allocated to all six priority funding axis, with the co-financing achieved for this period at 90.42%. During the 5-year period (International Consulting Expertise, 2014, p. 86) several financial reallocations occurred in the ROP, including for the key area of intervention 5.2; the initial funding foreseen allocation of 6.2% of the total in the beginning of the reporting period, but this percentage increased after 2010, further to the abovementioned allocations, to almost 8%. The Report (European Commission, 2011d) on the implementation progress of the ROP Regio projects issued in 2013 shows a total number of 272 agreements signed for KAI 5.2, almost half of the total agreements for the entire priority axis.

Regionally (KPMG, 2014, p. 243), the territorial distribution of the projects contracted under KAI 5.2 points to the high share accounted for by South-West Region of 17.5% of the total grants extended. At the other end of the ranking we have Bucharest-Ilfov with 7%, and next above the last but one Western region with 8%.

Under KAI 5.2 (CMPOR), funding amounting to a total of lei 3,212 million has been granted during the current reference and reporting period for projects located in 31 counties of Romania. The top half of the ranking in terms of the funding volume accessed accounts for approximately 70% of the total volume of the ROP funds granted under KAI 5.2. These counties are: Vâlcea, Constanța, Gorj, Dâmbovița, Iași, Bihor, Bacău, Caraș-Severin, Botoșani, Hunedoara, Mureș, Argeș, Bistrița Năsăud and Covasna. At the other end we have counties such as Vrancea, Mehedinți and Ialomița which altogether account but for a little bit more than 3% of the funding volume under KAI 5.2. Surprisingly, there are counties that have not accessed any grant whatsoever under ROP KAI 5.2, namely Arad, Brăila, Călărași, Galați, Giurgiu, Maramureș and Timiș.

According to the KPMG report (KPMG, 2014, p. 89) on the assessment of the 2007-2013 Regional Operational Programme, the objectives of this KAI, namely turning to account the

natural resources for tourism purposes, diversification of the tourism services, establishment/expansion of the leisure facilities in view of increasing the number of tourists and the length of stay, will be declared partially attained. The root-cause of this situation is implementation of a smaller number of projects against the initial plan (but for higher budgets) resulting into a smaller number of travel agents benefiting of assistance. Consequently, this led to actual growth rates of the indicators number of tourists and number of newly-created jobs in travel and tourism higher than the planned ones.

2. Tourism dynamics at regional level and the structural funds

Today, the Romanian tourism is going through a series of changes triggered by economic, political and social factors so as one can conclude that such factors, as well as the lack of investments and poor management thereof, inadequate personnel training, a rather frugal turning to account of the tourism potential, have adversely impacted on this industry. Tourism (Minciu et al., 2012) is one of the most dynamic contemporary economic phenomena and, for many countries or areas of the world, one of the main drivers of progress and prosperity. Tourism development expressed by the increase of the number of tourists and revenues is accompanied by a process of diversification of products and destinations.

Looking into the dynamics of the total contribution of travel and tourism to the GDP during the period 2007-2013, we see a slight increase of this indicator by 0.4%, still insufficient if we are to compare it with the competitor countries. The share of the population employed in travel and tourism went down in 2013 vs. 2007, whereas the invested capital grew, but immaterially (Table no. 1)

Table no. 1: Economic features of the Romanian travel and tourism between 2007-2013

	Total contribution of travel and tourism to GDP		Direct contribution of travel and tourism to GDP		Population employed in travel and tourism industry		Direct contribution of population employed in travel and tourism		Capital invested in travel and tourism	
	bln. USD	%	bln. USD	%	no. of population	%	no. of population	%	bln. USD	%
2007	9.39	5.5	2.6	1.5	568.800	6.6	218.800	2.5	3.6	7.2
2013	9.9	5.1	3.1	1.6	501.000	5.7	212.000	2.4	3.53	7.3

Source: WTTC, 2014

In 2013, the tourism payment balance recorded a deficit of EUR 286 million, with an income of EUR 1.141 million and payments made in the travel and tourism industry of EUR 1.427 million. Romania is among the last in line in terms of the tourism-generated income, as seen in the country ranking put together by the statistical office Eurostat, a true reflection of the current state of the Romanian tourism.

Travel and tourism movements went slightly up during the reference period by 13.7%, from 6.98 million incoming in the accommodation units in 2007 up to 7.94 million in 2013,

unlike the indicator “number of overnight stays” which went down by 5.98% (from 20.59 million overnight stays in 2007 down to 19.36 million overnight stays in 2013).

Our further goal is to take a closer look at the endeavours of the Romanian business environment under the ROP Axis 5.2 during the period 2007-2014, as well as to link the total value of the projects completed to date to the key demand and supply indicators: incoming and beds numbers.

It is noteworthy that the actions aimed at modernizing the tourism infrastructure have been carried out in parallel with the expansion of the accommodation facilities in certain counties, some of them supported from the Structural Funds, private business undertakings, NGOs, local authorities, etc. reported as initiators (beneficiaries) of the projects .

Broken down by counties, the indicator accommodation “incoming” saw an all-time record in 2013 in City of Bucharest - 1.33 million incoming, followed by the counties of Constanța and Brașov with 0.859 million, and respectively 0.845 incoming, altogether accounting for about 38% of the total incoming country-wise. The counties of Călărași and Teleorman reported the lowest figures. (Table no. 2)

Table no. 2: Classification of counties regarding the dynamics of tourist arrivals 2007-2013

No. crt.	County	2007	2013	I2007/2013	Value of financing contracts through POR 2007-2013
1	Olt	16461	35678	216,7426	30515350,02
2	Sălaj	16337	33367	204,2419	0
3	Alba	54054	101869	188,4578	19316485,68
4	Covasna	52458	83468	159,114	94320003,46

26	Vrancea	38471	34196	88,88773	9787221,32
27	Teleorman	14693	13176	89,67536	0
28	Hunedoara	109054	88306	80,97456	119410224,7
29	Călărași	13927	11035	79,23458	0
30	Ialomița	54232	40189	74,10569	26608903

Source: National Institute of Statistics, 2014; KPMG, 2014

For the indicator “number of beds”, county of Constanța ranks first with 85,756 beds, followed at an important distance by county of Brașov – 25,524 beds, altogether accounting for close to 37% of the total number of beds available at national level.

Furthermore, certain counties stood out in terms of the dynamics of the indicator “number of beds”, that is to say Sălaj, Brașov, Alba and Botoșani, whereas Vrancea, Constanța and Satu Mare proved to be least dynamic. In respect of the incoming dynamics, Olt, Sălaj and Alba are the leading counties, with Ialomița and Călărași counties lagging way behind the leading squad (Table no. 3)

**Table no. 3: Classification of counties regarding the dynamics
of accommodation places 2007-2013**

No. crt.	County	2007	2013	I2007/2013	Value of the projects financed through ROP 2007-2013
1	Sălaj	829	1723	207,841	0
2	Braşov	12634	25524	202,026	56902363,25
3	Alba	1830	3656	199,781	19316485,68
4	Botoşani	557	1103	198,025	124946557,1
5	Gorj	1439	2521	175,191	30124857,02
6	Olt	498	874	175,502	30515350,02

26	Bihor	10126	10071	99,4568	140090483,8
27	Galaţi	1452	1308	90,0826	0
28	Satu Mare	2415	2110	87,3706	0
29	Vrancea	2022	1556	76,9535	9787221,32
30	Constanţa	121717	85756	70,4552	243339564,3

Source: National Institute of Statistics, 2014; KPMG, 2014

As seen in the table above, the counties of Alba and Sălaj experienced higher dynamics in respect of both indicators: Note also that the value of the tourism funding in the county of Alba during the reporting period amounted to lei 19,316,485.68, with the projects targeting the following outputs: 142 beds in modernized accommodation facilities; estimated number of tourists: 10,130; estimated number of overnight stays: 50,650 with an average 5-day stay. Counties of Sălaj, Teleorman, Calarasi, Galati, Satu-Mare have not benefited from any Regio funding under the reviewed Axis.

The vast majority of the projects targeted expansion of the accommodation facilities and other tourism-specific infrastructure elements - food and leisure units, cable transport systems, as well as modernization works thereto.

Of the estimated outputs of the investments we can list: higher tourist flows and longer average stay, higher employment rates, revenues and net profits, creation of new jobs, etc. Some of these outputs will generate long-term effects and contribute to rendering the tourist destinations more attractive.

In the following sections we analyze how financing affects the specific tourism indicators - the number of tourist arrivals and the number of accommodation places using a parametric correlational study - simple linear regression and SPSS (Statistical Package for the Social Sciences).

3. Research methodology

The main objective of the research is meant towards verifying the correlation between the financing volume through ROP and the short-term results, reflected in by the tourism demand and the accommodation capacity. With a view towards fulfilling this objective, the following methods have been used: a documentary study regarding the Romanian tourism at regional level, the quantitative analysis of the tourism circulation by counties, using the

tourism demand specific indicators – number of tourist arrivals and also, using the values of the project financing, the statistical analysis in dynamics. The collected data was processed using SPSS.

The following steps consisted of the selection of the counties that participated in ROP, KAI 5.2. – "Quality, development, modernisation of tourism infrastructure in order to exploit the natural resources and to raise the quality of tourism services", and also of the identification of project portfolios with private companies as beneficiaries, the amount of funding and their geographical distribution by counties in the period 2007-2013.

The research variables were then defined: the independent variable (value of financed projects) and dependent variables (number of accommodation places and number of tourist arrivals) and the null hypothesis were formulated: there is no statistical correlation between the projects funded between 2007 - 2013 and the level of tourism specific indicators in the last year of the funding period: 2013 – number of tourist arrivals and number of places.

4. Results and discussion

- correlation between the value of the projects funded in 2007-2013 and number of accommodation places in the year 2013

With a view to research this correlation the null hypothesis was established: there is no correlation between the value of funding in the period 2007-2013 (obtained by the business environment – business units) and the number of accommodations places in 2013

After the graphical check of the variables dependency, through the scatterplot, the following results were obtained (table no. 4, figure no. 1, table no. 5):

- the ANOVA table (Analysis of variance) indicates that the model is relevant, the parameters of the regression equation are significantly different from 0, the Sig. value is less than 0.05 (assumed risk threshold)
- the value of the Pearson coefficient is 40%, which indicates a relation that is direct, moderate, of medium intensity between the two variables.
- the determination coefficient (the measurement part of the total variance of a variable that can be explained or justified by the scattering values of the other variable) is 16.64%, which means that the two variables are influenced by each other at a rate of 16.64%
- the null hypothesis is rejected

Table no. 4: ANOVA^a - Analysis of variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1156956370,756	1	1156956370,756	5,588	,025^b
	Residual	5797604390,710	28	207057299,668		
	Total	6954560761,467	29			
a. Dependent Variable: places						
b. Predictors: (Constant), value						

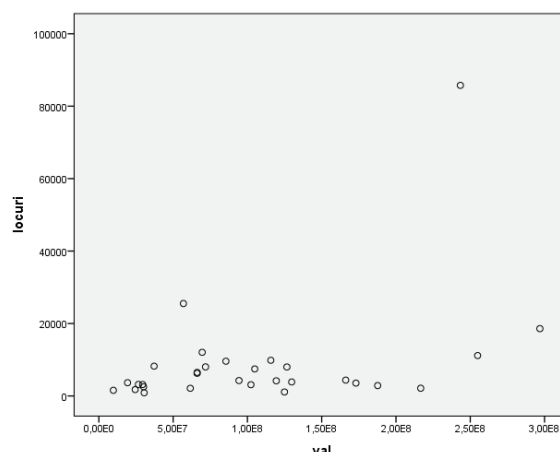


Figure no. 1: The Scatter Diagram

Table no. 5: The Pearson Correlation Coefficient

		places	value
Pearson Correlation	places	1,000	,408
	value	,408	1,000
Sig. (1-tailed)	places	.	,013
	value	,013	.
N	places	30	30
	value	30	30

- correlation of the projects funded in 2007-2013 and the number of tourist arrivals for the year 2013

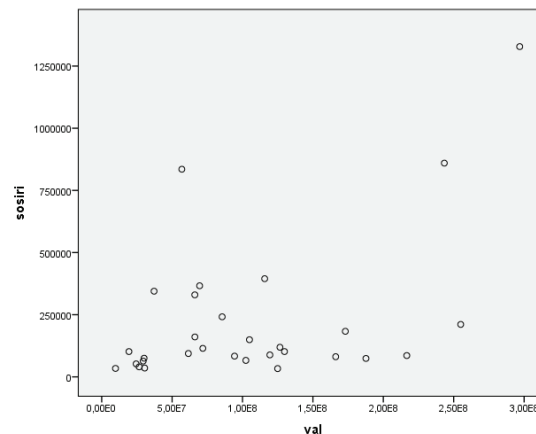
With a view to research this correlation the null hypothesis was established: there is no correlation between the value of funding in 2007-2013 (obtained by the business environment – business units) and the number of tourist arrivals in 2013.

After the graphical check of the variables dependency, through the scatterplot, the following results were obtained (table no. 6, figure no. 2, table no. 7):

- the ANOVA table (Analysis of variance) indicates that the model is relevant, the parameters of the regression equation are significantly different from 0, the Sig. Value is less than 0.05 (assumed risk threshold)
- the value of Pearson coefficient is 47.8%, which means a relation that is direct, moderate, of medium intensity, between the two variables
- the determination coefficient (the measurement part of the total variance of a variable that can be explained or justified by the scattering values of the other variable) is 22.84%, which means that the two variables are influenced by each other at a rate of 22.84%
- the null hypothesis is rejected

Table no. 6: ANOVA^a - Analysis of variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	570245457061,963	1	570245457061,963	8,286	,008^b
	Residual	1926903123869,405	28	68817968709,622		
	Total	2497148580931,367	29			
a. Dependent Variable: arrivals						
b. Predictors: (Constant), value						

**Figure no. 2: The Scatter Diagram****Table no. 7: The Pearson Correlation Coefficient**

		arrivals	value
Pearson Correlation	arrivals	1,000	,478
	value	,478	1,000
Sig. (1-tailed)	arrivals	.	,004
	value	,004	.
N	arrivals	30	30
	value	30	30

Therefore, between the financing value of the period 2007-2013 and the tourism specific indicators registered in the year 2013 there is a direct, medium intensity relation. For a more complete image, it is necessary for this quantitative analysis to be accompanied by a qualitative study, meant to identify how projects contributed to the diversification of tourism services, with a view towards a better use of the natural and anthropogenic resources. Subsequently, taking into account the dynamic profile of the tourism market, as well as the difficulties which the tourism entrepreneurship environment has to face, a series of measures can be identified, i.e. steps meant to support and stimulate entrepreneurs from the hospitality industry (Rusu, 2014): designing of national programs for the development of entrepreneurial culture, counselling for accessing structural funds,

exemption from taxes, VAT reductions, given that entrepreneurship contributes to the development of innovation and, therefore, to the growth of the Romanian economy.

Conclusions

As shown in the content of the article, the use of the Structural Funds in the Romanian tourism industry was the prevailing trend during period 2007-2013, with some of the output being visible in the very end of the funding period - for instance a higher number of accommodation facilities, whereas indicators, such as number of tourists, revenues, net profits still to evolve in the expected direction as of 2014, driving long-term effects in the broad process of adaptation to requirements of the tourism market.

The selected domain is complex and is represented by the impact of structural funds financing on the results obtained at the level of tourism circulation indicators and of accommodation units, which expresses the capacity of entrepreneurship in the tourism domain to be a dynamic factor of tourism at both local and regional levels.

One of the limitations to the presented research is that it selected as representative towards showing the performance of the tourism domain only the financing axis 5.2. axis – "Quality, development, modernisation of tourism infrastructure in order to exploit the natural resources and to raise the quality of tourism services"; the remaining axis constitute future research directions: 5.1. Restoration and sustainable valorization of cultural heritage and setting up / modernization of related infrastructure, and 5.3. Promoting tourism potential and creating the necessary infrastructure to increase Romania's attractiveness as a tourist destination.

Another limitation of the research is represented by having used exclusively the indicators tourist arrivals and number of accommodation units. In order to obtain a complete overview of the phenomenon more quantitative analysis need to be performed, using the value indicators (eg. Volume of tourism receipts), accommodation units occupation rate; a qualitative analysis is also needed. As for *objectivity*, the authors consider that the full effects of structural funds could not be analyzed, especially because of the tourism investments which, on the one hand, involve significant material efforts and, on the other hand, produce effects in the long term.

Therefore, the authors attribute this research the role of pilot research, as further investigations will complement the analysis of the impact that REGIO funding program has on tourism development.

Altogether, the investments should continue and ought to be supported by a policy of appropriate promoting. The Regional Operational Programme POR shall be implemented also in the next period 2014-2020, with the Priority Axis 5 - "Conservation, protection and sustainable turning to account of the cultural heritage" and 7 – "Diversification of the local economies through sustainable development of tourism, being of special concern for the tourism business environment".

To cope with an increasingly dynamic competition environment, this process needs to be continued also in the next period, with the use of the Structural Funds as a key tool to foster entrepreneurship and, consequently, to enhance the competitiveness of the hospitality industry.

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