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ROMANIAN RURAL TOURISM DEVELOPMENT THROUGH EUROPEAN FINANCIAL SUPPORT MEASURES

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Abstract

Encouraging the development of tourism activities represents an occupational alternative for the rural labour force. It is a significant way to diversify the economic activities in the countryside. Finally, it is a stabilizing factor for the rural population. The objective of this paper is to investigate the Romanian effort to develop and promote tourism in the rural area with support from the European funds. Statistical data was completed from articles and studies published in specialty journals, as well as in government documents. The results allow us to conclude that the natural resources and landscape, the social capital, the rural governance, the business and social networks as well as the information and communication technologies have dynamic and complex influences upon the entrepreneurial activity in the rural areas.

Keywords: rural tourism; European funds; investments; Romania.

JEL Classification: Q14, L83, R58

INTRODUCTION

Financing programmes from non-refundable European sources is highly significant for the development and promotion of tourism in the Romanian rural area. They support the development of small-scale businesses in this sector, recognized as the most important source of jobs for obtaining additional incomes in the rural area. (2, 7, 9)

The promotion and development of tourism activities in the Romanian countryside has seen an upward trend since 2000, when Romania's rural development was integrated into the context of reform and development proposed by the European Union through the Common Agricultural Policy. The objectives of the National Rural Development Program have ensured a sustainable economic and social development of rural areas, by managing the modernization of the agricultural sector and the diversification of economic activities. To have an alternative source or additional income, farm/agricultural household had the opportunity to be financially supported and develop an agro-touristic activity. This was organized and carried out in the rural area by the members of a family; activity that involves combining agricultural works with tourist services (1, 10, 14).

Also, the stimulation of touristic services such as accommodation, leisure and public catering in the Romanian rural area allowed the capitalization of environmental and natural resources (biodiversity, forest patrimony, fisheries, etc.), the dissemination of information on the cultural heritage (traditions and professional experiences accumulated), as well as the development of social capital and the creation of new specializations that reduce the economic and social imbalances existing between the level of development of the different regions of the country, but also between rural-urban residence environments. Thus, by encouraging rural tourism and agro-tourism "Romania has become, year after year, a much more attractive tourist destination for both Romanian and foreign tourists" (8).

MATERIAL AND METHOD

The objective of this work is to analyze the Romanian effort to develop and promote tourism in rural areas, completed with the support of European funds (which started in 2000), in accordance with the priorities and directions of rural development of the National Plan for Rural Development (NRDP). This was established in close connection with community priorities and according to the

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analysis of the socio-economic and environmental situation in Romania, and obtained on the basis of available statistical data.

In Romania, rural tourism has been defined as all touristic activities, products and services organized and carried out in the rural area, by the local population, in close connection with the environment and the basic activities of the locals, through which the tourist resources, the cultural heritage, traditions, tourist structures and local products are capitalized. Agro-tourism, as an important segment of rural tourism, is organized and carried out by members of an agricultural household and involves the combination of agricultural activities with touristic services (tourism activity being secondary to the agricultural one), the provision of accommodation and food (partially obtained in the household) and the involvement of the tourist (if desired) in household activities.

The methodology used is based on the synthesis of information on the main measures to promote and stimulate the Romanian agro-tourism, and supported by the agricultural and rural development policy. The statistical data was complemented by information contained in articles and studies published in specialized journals, as well as in governmental and non-governmental reports and documents.

RESULTS AND DISCUSSIONS

Romania's transition to the market economy led to deep and long-lasting changes in the organization and functioning of the rural space. The first signs of encouraging tourism were seen in the year 1994, after the creation of the legal framework on the development of mountain areas such as the Danube Delta and the Black Sea Coast. This is when power supply, water and sewerage systems were created; and tax exemption was approved for a 10-year period for the households that began such an activity (3-20 rooms). Another major aspect was the creation of certain organizations to guide and coordinate the network of farms included in the rural tourism system, such as:

- The Romanian Federation for Mountain Development (1990), promoting and supporting mountain households, including the organization and development of agro-tourism;
- The Romanian Agro-tourism Agency (1995), aiming to align Romanian agro-tourism to the international tourism system;
- The National Association for Rural, Ecological and Cultural Tourism in Romania – ANTREC (1994), member of the European Federation of Rural Tourism (EUROGÎTES). (10)

The development of entrepreneurial initiatives in Romanian agro-tourism takes place in the context of significant increase, both in qualitative and quantitative terms, of accommodation units in rural areas in recent years. This is due to individual investors and finance from the governmental pre-accession – SAPARD and post-accession programs – PNDR 2007-2013 and PNDR 2014-2020.

The financial support necessary for the development of tourism activities in the rural area was provided, mainly, by applying the following measures:

-Measure 3.4 “Development and diversification of economic activities generating multiple activities and alternative incomes” assigned to Priority Axis 3 “Development of the rural economy” programmes SAPARD (“Special pre-Accession Programme for Agriculture and Rural Development”) applied in the country over the period 2000-2006;

-Measure 313 “Encouragement of tourism activities” framed in Axis 3: “The improvement of life quality in the rural areas and rural economy diversification” of the National Rural Development Programmes 2007-2013;

-Measure 6 “Development of exploitation/farms and enterprises” with sub-measure 6.2. “Support for the creation of non-agricultural activities in the rural areas” and sub-measure 6.4 “Investments in the creation and development of non-agricultural activities” of the National Rural Development Programmes 2014-2020.

The general objective of these measures was to support the creation and/or maintenance of jobs and the generation of alternative incomes by diversifying rural activities related to agriculture and forestry. This also included the possibility of promoting ecotourism and making use of areas

protected by tourism activities, resulting in possible increased protection of the environment and the natural landscape. (1)

Eligible investments for which the European funds were granted concerned:

- the infrastructure of tourism reception and recreational activities (in which there are registered also actions regarding the construction, modernization, expansion and endowment of tourism reception structures;
- the tourism infrastructure for leisure, independent or dependent on the tourism reception structure);
- the small-scale infrastructure (such as office for tourism information, guide marks arrangements/touristic routes etc.);
- development and/or marketing of touristic services connected to the rural tourism (elaboration of promotional materials, information etc.) (1)

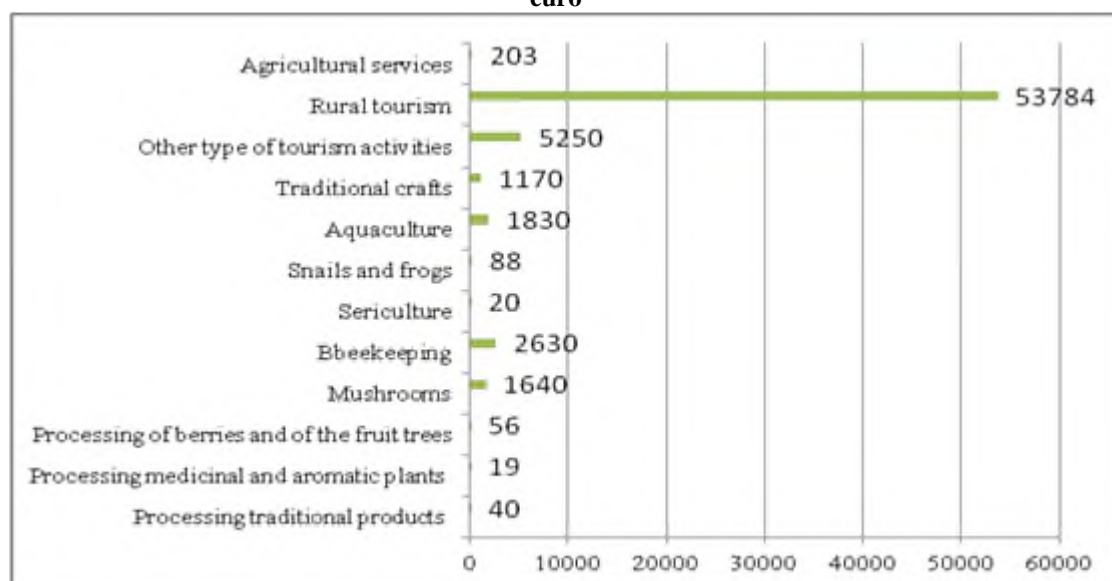
The direct beneficiaries of the measures to promote and encourage the Romanian rural tourism were:

- authorized natural persons (individual agricultural producers, forest owners, etc.);
- professional associations / registered family associations and producer groups;
- agricultural companies and commercial companies;
- consumer cooperatives and craft cooperatives;
- local communities and local public authorities;
- non-governmental organizations. (1)

The indirect beneficiaries of the financial support granted to stimulate the touristic accommodation, leisure and public catering services in the Romanian countryside were the tourists who spent at least one weekend or visited the Romanian rural localities with agro-tourism potential.

In the pre-accession period (2000-2006), the use of funds received by beneficiaries of the measure 3.4 “Development and diversification of economic activities generating multiple activities and alternative incomes” started in 2005 and continued until December 2007 (when the submission of applications ceased). As for the distribution of the 68,196,079.21 EUR (the total amount paid until 31 December 2009 for the 1018 projects declared eligible), most of the funds were absorbed by investments in rural tourism (78.86% of the resources paid) and other types of tourism activities in rural areas (7.67% of the resources paid for M3.4) (Figure 1).

Figure 1. Value of projects paid on sub-measurements under Measure 3.4, as of 31.12.2009, in thousand euro



Source: Final Ex-post Evaluation Report SAPARD - Romania, August 2011.

As for the projects that support *agro-tourism* actions, through measure 3.4, 667 projects were financed; most of them ensured investments for the modernization and construction of new buildings for accommodation, public catering (restaurants) and recreation areas in the counties of the Development Regions: Alba Iulia Center and North-West Satu Mare.

In the post-accession period (2007-2020), the use of funds received by beneficiaries measure 313 “Encouragement of tourism activities”(NRDP 2007-2013) and of the measure 6 “Development of exploitation/farms and enterprises” (NRDP 2014-2020) were mainly oriented towards stimulating touristic services of accommodation, leisure and public catering in the Romanian countryside.

The payments made in the NDRP 2007-2013 for Measure 313 were 138 million Euros, thus absorbing 29,50% of the resources allocated; the payments made in the NDRP 2014-2020 for sub-measure 6.2 were 92 million Euros, thus absorbing 82.84% of the total of funds made available and for sub-measure 6.4 were 104 million Euros, thus absorbing 62,42% of the resources allocated (Table 1).

Table 1. Financial support for the Romanian rural tourism, in the period 2007-2020

Measure	Budget allocation (mii €)	Value of payments made (mii €)	Degree of consumption (%)
313 – Encouragement of tourism activities	467,000.86	137,768.25	29.50
6.2 – Support for the creation of non-agricultural activities in rural areas (including ITI Danube Delta)	111,583.30	92,435.90	82.84
6.4 –Investments in the creation and development of non-agricultural activities (including ITI Danube Delta)	166,503.97	103,938.75	62.42

Source: <http://www.madr.ro/>

According to the “NRDP annual progress report”, at the end of 2015, the category “Leisure infrastructure” had the highest share of investments, with 72,24% of total approved projects, followed by the category “Small-sized infrastructure” with 27,28% of total approved projects and the category “Development/promotion of rural tourism services” with 0,49% of total approved projects under this measure.

The stimulation of agro-tourism services continued during the application period of the measures approved by the NRDP 2014-2020 and consisted mainly in the arrangement of multifunctional sports fields/spaces for sports activities/sports activities in winter, summer, etc./swimming pools, beach spaces/food-restaurant services/organization of events, conferences, internet access/diversified recreation services - tourist transport by sleigh and cart, etc.

The level of financial absorption of the measures that encourage rural tourism and implicitly agro-tourism was situated, according to the reports on the implementation of the National Rural Development Programmes in Romania made by the Ministry of Agriculture and Rural Development, under the targhet initially proposed. This was due to the lack of own financial resources of the beneficiaries and the difficulties they faced in obtaining the necessary credits to co-finance the projects, as well as because of the long period required for obtaining funding and the implementation of infrastructure projects. Also, the agro-tourism activity was influenced by the top-down approach of the various strategies, the non-involvement of the rural authorities and communities, the systematic non-allocation of the funds initially foreseen and the lack of priorities for a sufficiently long time horizon.

The agro-tourism boarding house are the main structure of touristic reception in the rural area financially supported with non-reimbursable European funds. With an accommodation capacity of 8-15 rooms, evaluated at 1 to 5 flowers/daisies (equivalent to the star rating system for hotels), operating in people’s dwellings or in independent buildings; these structures ensure, in specially designed spaces, the accommodation of tourists, the preparation and serving of meals, as well the possibility of tourist participation in household or craft activities these tourist establishments represented an opportunity for economic development (1, 2).

The synthetic analysis of the evolution of the touristic accommodation capacity and activity of the agro-tourism pensions, during the pre-accession and post-accession period of Romania to the European Union, was carried out on the basis of statistical data (Table 2).

Table 2. The evolution of the tourist accommodation capacity and the tourist accommodation activity of agro-tourism boarding houses, in the Romanian pre- and post-accession of the European Union

Years	Structures Number	Tourist accommodation capacity		Tourist accommodation activity			
		existing no. places	in use no. places-days	arrivals no.	beds no.	utilization indices	Average length of stay
The period of the Romanian pre-accession of the European Union							
2000	400	3544	805618	28152	64588	8.0	2.29
2001	536	4843	1105724	41658	88349	8.0	2.12
2002	682	6219	1270505	64811	144135	11.3	2.22
2003	781	7510	1614497	89446	225388	14.0	2.52
2004	892	9405	2132008	149104	321168	15.1	2.15
2005	956	11151	2528316	170164	365967	14.5	2.15
2006	1259	14551	3188350	217020	459344	14.4	2.12
The period of the Romanian post-accession of the European Union							
2007	1292	15448	3625647	288508	592327	16.3	2.05
2008	1348	16906	4038887	357617	743444	18.4	2.08
2009	1412	19783	4735468	325686	673188	14.2	2.07
2010	1354	20208	4891862	289923	604606	12.4	2.09
2011	1210	20683	5378364	360696	741350	13.8	2.06
2012	1569	27453	6864934	447113	906504	13.2	2.03
2013	1598	28775	7932634	501746	996475	12.6	1.98
2014	1665	30480	8219979	549302	1081521	13.2	1.97
2015	1918	35188	9079901	672756	1368992	15.1	2.03
2016	2028	37394	10336702	813454	1597939	15.5	1.96
2017	2556	44499	11787897	1004400	1928485	16.4	1.92
2018	2821	48574	12498050	1173455	2255286	18.0	1.92
2019	2800	49053	12615982	1272878	2518605	20.0	1.98
2020	3022	52389	9195563	755436	1515305	16.5	2.00

Source: TEMPO-Online Database, 2021, <http://www.insse.ro/>

In the analyzed period, the agro-tourism pensions registered an increase from 400 units in 2000 to 3,022 units in 2020. At the same time, both the number of accommodation places increased from 3,544 places in 2000 to 52,389 places in 2020, as well as the degree of comfort, valued from 1 to 5 flowers/daisies, which evolved in favor of the category 3 flowers/daisies.

The index of net use of accommodation places in agro-tourism pensions (calculated by referring the number of overnight stays to the tourist accommodation capacity in operation), as well as the average length of stay in agro-tourism pensions (calculated by reporting the number of overnight stays to the number of arrivals) had a varied evolution, from one year to another, depending on the evolution of the supply (the number of places in operation) and the demand (the number of tourists who stayed overnight) in the localities Romanian countryside.

The analysis of seasonality and demand for agro-tourism (seasonality being a basic feature of the tourist activity which impacted both on the degree of satisfaction of tourists, on the environment, and on the labor force in tourism) shows that even in rural localities, as well as in urban ones, the largest number of tourists who stayed overnight was recorded during the peak of the season, in July-August, because the planning of a vacation is still dependent on weather conditions.

CONCLUSIONS

In Romania, the touristic potential is supported by the variety of natural and anthropogenic resources determined by the presence of the three major landforms (mountains, hills and plains), as well as by the preservation of cultural traditions (literary, musical, folk art, handicrafts, gastronomy, religious customs, etc.).

The main Romanian tourist destinations are located mainly in the mountain and hilly area, in the Black Sea coast and in the Danube Delta. The first signs of encouraging tourism activities in the rural area were noted in 1994, after the creation of a legislative framework on the development of accommodation structures located both in known areas and frequented by tourists, as well as in less known areas, as well as public food and leisure services.

An important segment of Romanian rural tourism is agro-tourism, which has experienced a new approach through community financial support for agriculture and rural development. Thus, through the European programs SAPARD 2000-2006, NRDP 2003-2017 and NRDP 2014-2020, the investments necessary to support and boost agro-touristic activities were established.

The context data and information included in the evaluation reports of the national rural development programmes highlighted the *positive impact of the promotion and development of the Romanian agro-tourism*. However, the evolution of supply and demand for this tourist segment shows that this opportunity to supplement the incomes from agricultural activities was insufficiently exploited, although in the areas where the agro-touristic activity developed, it had a strong favorable impact not only on the economic and touristic environment of the localities, but also on the social framework, cultural, spiritual and even ecological.

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