

## THE IMPACT OF LEGISLATION ON THE ROMANIAN TOURISM SECTOR

**Manuela Liliana Mureșan<sup>1</sup> and Puiu Nistoreanu<sup>2</sup>**

*<sup>1)2)</sup> The Bucharest University of Economic Studies, Bucharest, Romania*

E-mail: manuela.muresan@stud.ase.ro, E-mail: puiu.nistoreanu@com.ase.ro

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### **Abstract**

This paper deals with the issue of legal regulation of Romanian tourism. It is known that tourism and the specific activities of this sector are important economic activities, but not always treated with the necessary importance in the development of social and economic life, in terms of legislation. Romania continues to have heavy legislation from the post-communist transition to a competitive economy market, with only small efforts with little impact on the tourism development. The results of this case study indicate that the existing legal regime is over-crowded with normative acts and in urgent need of a new vision of the Romanian tourism and a legal frame, correlated with the European legislation.

**Keywords:** tourism legislation, tourism development, government, SWOT analysis

**JEL Classification:** K22, M38, Z32

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### **Introduction - The present context of Romanian tourism**

Unlike other Eastern European countries, Romania has the most rich and diverse natural tourism resources which gives us a greater availability for tourism. This valuable tourism potential is reflected in the spectacular landforms and scenic landscapes, harmoniously combined, and a lot of traditions that are still preserved unaltered. However, natural and anthropic tourism potential of great value and variety, concentrated in a relatively small area, has failed so far to make the tourism industry a major source of economic growth and overall development. In terms of the international tourist interest, Romania is recognized as rich in natural resources, but bad services and infrastructure, which puts us in second place compared to our Hungarian neighbors, although they don't have our resources, they exceed in the number of foreign tourists annually.

In order to present the actual context of the Romanian tourism we need a SWOT analysis of the current situation of the country, taken as an international tourist destination unit, holding both weaknesses and strengths and acting in a moving market, having opportunities, but also facing the threats inherent in an imperfect market. (Nistoreanu, 2005).

**Table no. 1: SWOT analysis of the Romanian tourism**

<p><b>STRONG POINTS</b></p> <p><b>Natural resources</b> (28% mountains, 42% hills and plateaus, 32% plains), Carpathians (virgin forests, wildlife, hiking trails), Black Sea, the Danube Delta (nature reserve) Climate, fauna and vegetation</p> <p><b>Heritages:</b> historical monuments and archaeological remains, (monasteries, fortresses Dacian fortified churches) folk traditions, art institutions, folklore, architecture, and cultural and artistic events</p> <p><b>Romanians hospitality</b></p> <p><b>Transport accessibility</b> (airports with international access, seaport, rail and road network)</p> <p><b>Increasing investment</b> in rural areas</p> <p><b>Diversification of accommodation</b> capacity and implementation of best practices in ecotourism models</p> <p><b>Spa resources:</b> waters - mines and therapeutical lakes, therapeutic natural gas emanations, therapeutic muds</p> <p><b>Legal framework:</b> the existence of the legal framework for the management of protected areas and environmental protection, harmonized with the European one, the existence of the National Tourism Development Master Plan 2007-2026</p> <p><b>The safety</b> Romania offers totourists in the current geopolitical context</p> <p><b>Qualified staff</b> with language skills and qualifications above average</p> <p><b>Mobile and fixed network</b> operators with national and international coverage</p> <p><b>Travel agents and tour operators</b> in providing travel services expertiență</p> <p><b>Participation</b> in national and international tours, fairs and tourism exhibitions</p> <p><b>Promotional packages</b> according to the needs and requirements of tourists</p> <p><b>Traditional cuisine</b> and regional specialties</p> <p><b>Apply the rules</b> on reduced VAT in the tourism sector.</p>	<p><b>WEAK POINTS</b></p> <p><b>Limited capacity</b> and low quality standards of tourism and leisure infrastructure. Poor development of tourism services.</p> <p><b>Limited access</b> for people with disabilities to numerous tourist attractions.</p> <p><b>Lack of infrastructure</b> at the European close</p> <p><b>Forced urbanization</b> of the rural population, with direct implications in the loss of intangible cultural heritage / existing material.</p> <p><b>Difficulties</b> in tourist capitalization of traditional crafts.</p> <p><b>Gap</b> between the skills offered by the school and labor market requirements in tourism.</p> <p><b>Black market labour.</b></p> <p><b>Insufficient recovery</b> through the creation of specific architectural historical monuments.</p> <p><b>Failure in considering traditional</b> architecture in the construction of new buildings, located inside parks or in their surrounding area.</p> <p><b>Low level</b> of implementation of quality management system in the tourism sector.</p> <p><b>The high beach erosion.</b></p> <p><b>Low salaries</b> of staff in tourism.</p> <p><b>Lack of training</b> courses and training in tourism.</p> <p><b>Poor involvement</b> of the authorities to specific areas of tourism.</p> <p><b>Non-involvement</b> of the media in promoting tourism internally and externally.</p> <p><b>Lack of an adequate legislative package</b> to support the development of tourism investments and facilities given in this regard.</p> <p><b>The lack of an integrated</b> Business Travel offer.</p> <p><b>Seasonal fluctuations</b> due the lack of promotion that Romania is a tourist destination 365 days.</p>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• <b>Exchange of know-how</b> and experience with partners from abroad</li> <li>• <b>Appearance possibility of accessing EU funds</b> for the period 2014- 2020 for development of tourism infrastructure</li> <li>• <b>The evolution</b> of online communication channels</li> <li>• <b>The growing interest</b> for business - MICE</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• <b>The strong international competition</b>, including unfair competition practices</li> <li>• <b>Lack of institutional communication</b></li> <li>• <b>Continuing migration</b> of skilled workers in tourism</li> <li>• <b>Maintain an inconsistent</b> nature of this industry</li> <li>• <b>Gradual dilution</b> of Romanian traditions and</li> </ul>

<p>(Meetings, Incentives, Congresses &amp; Events)</p> <ul style="list-style-type: none"> <li>• <b>The geopolitical position</b> on the continent</li> <li>• <b>Recovery of financing for development</b> of human resources in the field, at high school, university and adult continuing training level</li> <li>• <b>Upward trends</b> in terms of evolution of quality tourism offer</li> <li>• <b>Increasing</b> the number of airlines operating in Romania, resulting connect the cities of our country with more and more destinations in Europe</li> <li>• <b>Unlocking the potential</b> of cross-border tourism (Bulgaria, Serbia), especially in the context of Danube Strategy</li> <li>• <b>Growing appeal</b> of rural tourism</li> <li>• <b>The desire of all actors</b> in the field in developing a tourism law harmonized with international law</li> <li>• <b>Increased demand</b> for resorts and spas</li> <li>• <b>The positive development</b> for tourism operators</li> <li>• <b>Request for growing</b> tourism niche forms of tourism that are on the Romanian territory.</li> </ul>	<p>customs</p> <ul style="list-style-type: none"> <li>• <b>Low awareness</b> of the benefits of the country's tourism potential</li> <li>• <b>Exclusion of the business</b> from the national development priorities</li> <li>• <b>The degradation of rural architectural heritage</b> due to the depopulation of rural communities</li> <li>• <b>Massive migration of young people</b> caused by the lack of jobs</li> <li>• <b>Insufficiently well developed</b> organizational culture of senior executives and managers in the hospitality industry</li> <li>• <b>Failure to adapt to the evolution</b> of the concept of Sharing Economy</li> <li>• <b>The destruction and degradation</b> of the natural environment through continues pollution</li> <li>• <b>Increasing international</b> oil prices</li> <li>• <b>Insufficient budget allocated</b> to the Ministry of Tourism to promote tourism</li> <li>• <b>The occurrence of natural</b> disasters (earthquakes, floods, landslides, droughts)</li> <li>• <b>Lack of tourism law.</b></li> </ul>
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*Source: own processing in accordance with the National Tourism Master Plan of Romania 2007 - 2026*

SWOT analysis gives us a clear picture of the Romanian tourism and where we can extract by combining the four elements, four strategies that will lead to the development of this segment of industry, the tourism. This way, pursuing opportunities that best fit the strength points, overcome weaknesses in pursuing opportunities, identifying how to use the strengths to reduce vulnerability to external threats and not least to establish a defensive plan to prevent a situation where weaknesses become very vulnerable to external threats.

This study aims to analyze the Romanian legislative framework, which as evidenced by the SWOT analysis, identifies itself with a strong point - the existence of the legal framework for the management of protected areas and environmental protection, harmonized with the European one and the existence of the Master Plan for National Tourism Development 2007 -2026. As weakness: the absence of a corresponding legislative package to support the development of tourism investments and facilities given in this regard. We note that regarding opportunities, there is a willingness of all actors in the field in developing a tourism law into line with international law, and its absence is a threat to the Romanian tourism.

#### **Analysis of the legislative framework**

The legislative framework governing the Romanian tourism activity contains a series of laws, government resolutions and ordinances. These legislative documents are basis for functioning as an organization and development of business tourism in Romania. Ordinance no. 58 from 21 of August 1998, upgraded until 2014 regarding the organization of deployment and tourism in Romania, stipulated through Law no. 755 from 27<sup>th</sup> of December 2001, as amended and supplemented, provides tourism around national

priorities, defines terms such as tourism, tourist resources, heritage tourism, tourism accommodation, touristic zone, sightseeing, tourist product, tourist offer, package, etc. ... with other words the general organization of the Romanian tourism and frame version is part of this legislative act. (Pop, 2010)

In addition to the above facts, the Romanian legislation provides specific normative acts for example regarding the touristic patrimony, there are different laws, ordinances governing this tourism component, as follows:

- Decision No. 852 from 13<sup>th</sup> of August 2008 approving the rules and criteria for the tourist resorts certification;
- Order no. 1096 from 3<sup>rd</sup> of September 2008 approving the Methodological Norms on accreditation cause of national centers of tourist information and promotion;
- Emergency Ordinance no.62 from 26<sup>th</sup> of August 2004 regarding the organization and functioning of the tourist parks, as amended and supplemented;
- Law no. 526 from 11<sup>th</sup> of December 2003 approving the National Program for Mountain Tourism Development "Super Ski in the Carpathians", with additions and modifications;
- Ordinance no. 109 from 31 of August 2000 regarding the Balnear resorts, balneary and climatic spa and medical assistance and recovery, as amended and supplemented, Law no. 343 of 31<sup>th</sup> of May 2002;
- Decision no. 335 from 4<sup>th</sup> of April 2002 regarding the measures for implementation of the "Blue Flag" program in Romania. (Ministry of Tourism, 2016)

In order to develop the Romania's tourism infrastructure and investment programs, we identified the normative act GD. 120 / 17.02.2010 referring to the list of programs and investment projects in tourism and sources of funding of technical documentation and execution works programs in tourism and investment objectives and eligibility criteria for the approval of programs and investment projects in tourism, as amended and supplemented. The Decision no. 31 from 24<sup>th</sup> of January 1996 relates also to this area, approving the methodology for approval of planning documents concerning areas and tourist resorts and technical documentation on construction of tourism.

The Romanian legislation provides also a series of regulations regarding the trading of travel packages, as follows:

- Order no. 1387 of 11<sup>th</sup> from November 2015 regarding the approval of the contract for the travel packages trading;
- Emergency Ordinance no. 8 from 18<sup>th</sup> of February 2009 regarding the granting of the holiday vouchers regulated by Law no. 94 from 1<sup>st</sup> of July 2014 and Decision no. 215/2009 for approving the methodological rules. (Ministry of Tourism, 2016)

During the analysis of the normative procedures in the conduct of business travel activities we recognized a number of laws, such as classification certificates, licenses and patents tour, provided as Decision no. 1267 from 8 December 2010 on the issue of classification certificates, licenses and patents for tourism, as amended and supplemented, also by Order no. 65 from 10 June 2013 approving the rules on the issue of classification of tourist using accommodation and catering, licenses and patents for tourism, as amended and supplemented.

The Romanian legislation is presented as a distinct tourism regarding the activities taking place on the Black Sea, as follows:

- Emergency Ordinance no. 19 from 22 February 2006 regarding the use and the control of the Black Sea beach and the activities on the beach, regulated by Law no. 274 of 4 July 2006, with subsequent amendments;
- Order no. 1204 from 26 March 2010 approving the Methodological Norms on the authorization beaches for tourism;
- Government Emergency Ordinance no. 202 of 18 December 2002 on the integrated management of the coastal zone;
- Decision no. 1136 from 18 September 2007 approving the Methodological Norms regarding the organization of public water rescuing - lifeguard and first aid stations on the beach;
- Order no. 511 from 3 June 2009 for approval of the rental contract framework, the list of sectors beach, proposed for rental and tariff reference for renting beach for summer 2009. (Ministry of Tourism , 2016)

In order that Romania becomes an attractive destination for foreign tourists, it is needed a country brand and image promotion, these legislative activities are also regulated by the laws, GD. 20/2012 approving the Multiannual Program for tourism marketing and promotion and development of destinations Multiannual Program, forms and tourist products, but also by Order no. 1502 / 13.12.2016 approving the list of international exhibitions of tourism where the National Tourism Authority participates in the year 2017. Not only the GO no. 58/1998 with its amendments represents the legal framework for organizing the tour, we noticed also other specific normative acts for leisure activities, as follows:

- Decision no. 435 from 28 April 2010 regarding the rules governing the marketing and operation of equipment for recreation;
- Decision no. 452 from 18 April 2003 regarding the conduct of recreational boating and Order no. 292 from 12 September 2003 approving the Methodological Norms;
- Law no. 402 from 31 October 2006 regarding the prevention of accidents and the organization of the underground caving rescue activities - Republished. (Ministry of Tourism, 2016)

We note the very rich Romanian legislative acts for various activities and not only, there are laws that legislate the tour guides activity by Decision no. 305 from 8 March 2001 regarding the certification and use of tourist guides, as amended and supplemented, and by Order no. 637 from 1<sup>st</sup> of April 2004 to approve the Norms concerning the conditions and criteria for selection, enrollment, certification and use of tourist guides.

We observe a very important point in the evolution of Romanian tourism industry by creating a legal framework with regard to protection of tourists:

- Decision no. 559 from 14 June 2001 regarding the commercialization of food and non-tourist resorts;
- Decision no. 306 from 8 March 2001 regarding the non-discriminatory taxes and tariffs for Romanian and foreign tourists, practiced by the tourism operators and cultural institutions;
- Decision no. 805 from 23 August 2001 regarding the measurements of informing the maximum tariffs for housing services in tourist reception with functions of tourist accommodation in unorganized tourism. (Ministry of Tourism, 2016)

In addition to those listed and classified in different categories, the following acts refer to providing features such as Ordinance no. 63 from 28 August 1997 referring to the establishment of facilities for rural tourism development by Law no. 187 of 14 October

1998, order no. 1 of 11 January 2001 referring to the possibility of granting facilities for journalists and radio and television reporters and Order no. 320 of 10 July 2001 referring to the establishment of awards of excellence in tourism granted to Romanian personalities.

### **The impact of legislation on tourism**

In the process of the development of all this legislation it was considered to meet all international standards of tourism activities and to ensure efficient services to meet requirements of national and international tourists at the time of their establishment. We draw attention to the fact that currently Romania has plenty of legislation relating directly to tourism.

Accordingly, it is proposed that this should be consolidated to remove any anomalies, simplify understanding and improve ease of implementation. At the same time, it recommends the adoption of a new tourism law, but translating these numerous acts in a new bill would not do any good to the development and innovation of Romanian tourism, so the new Advisory Council of Tourism, consisting of the main actors tourism and the powers they have, it is necessary to come up with a concrete proposal for law enforcement at national level with the Romanian tourism. (Ministry of Tourism, 2016)

Practically all countries in the world have a government department or unit responsible for tourism policy. However, among them, relatively few currently have a separate, independent ministry, or travel department and the number of those who have one is slightly declining. The following are some examples of countries with a ministry dedicated to the tourism sector: Argentina, Brazil, Bulgaria, Croatia, Egypt, India, Indonesia, Israel, Maldives, Mexico, South Africa and the Philippines. (World Travel & Tourism Council – Governing National Tourism Policy, 2015)

Since 2016, Romania joined these countries with a proper ministry of tourism, independently set and with a specific budget. However the negative impact on Romanian legislature is visible, due to the instability created by the discontinuity of government policy, from time to time there is a department within the Ministry of Economy, or a National Tourism Authority, under the same ministry. This instability is caused by the lack of a clear vision of the Romanian political class on a sector that can develop the country's economy, tourism.

From a simple analysis of the content of Decision no. 1136 of 18 September 2007 for approving the Methodological Norms regarding the organization of public water rescuing - lifeguard and posts first aid on the beach, we find that the Romanian seaside has provided lifeguards who don't have facilities over offering help, according to this legislation, the funding from local authorities being inexistent. "Art. 12. - (1) Financing public services for Aquatic Rescue - lifeguard and first aid stations, including equipment and units bases/lifeguard observation stations with equipment, tools and materials necessary to conduct rescue work are provided from the state budget." A very important negative impact on coastal tourism (Decision no 1136/18<sup>th</sup> September, 2007).

### **Strategies to improve Romanian legislative environment**

It is worth mentioning that the development and improvement of tourism activity in Romania, were developed a number of strategic documents such as National Tourism Master Plan of Romania 2007-2026, which was a set of strategies and directions to follow in the tourism activities, the National strategy for the Development of ecotourism in Romania 2016 - 2020 (June 2015), the strategy for Sustainable tourism Development in the

Carpathians and Strategy in the Culture sector and National Heritage for the period 2014-2020 (June 2015).

To improve the legislative environment, especially the Romanian tourism development, the Tourism Master Plan 2007-2026 has as main objective: the identification of the weaknesses in Romania's tourism industry which we have enumerated in the SWOT analysis and the the setup of the strategic directions of how it can be restructured how can be provided the necessary resources, but also how it can be regenerated in order to compete effectively in the global market.

In summary, the first part of this project is an analysis of all existing resources, equipment, infrastructure, key tourism indicators, and in the second part we explained issues and actions needed to improve tourism in Romania and objectives to be completed. The document ends with the last part of the measures presented in order of priority: the immediate, short and medium term. If implemented all measures and meet the deadlines for implementing this plan we believe that tourism development is a good way to have a tourism industry comparable to that of other countries and help relaunch the Romanian tourism. (Tourism Master Plan, 2007-2026)

Our Bulgarian neighbors are ahead us with both the number of tourists that annually cross the threshold, seaside or mountains, and the legislative framework. Bulgaria has a tourism law, since 2002, law number 56, not like Romania. Bulgarian legal framework in tourism establishes specific tasks for supporting the tourism sector and tourism development policies and strategies at the local level. Thus, the regional governor must implement the state policy in the regional territorial tourism. The Bulgarian minister even brought a number of amendments to the law which provides increased revenue sources for municipalities and use the revenue to finance specific municipal programs of tourism development. Municipalities will be directly involved in developing the tourism sector. Investments in this sector will increase, which will ensure the provision of better services for consumers and the development of public - private partnerships. (Bulgaria - Ministry of Tourism, 2016)

### **Conclusions**

Adopting more specific legislation on each part of tourism and their implementation is influenced by factors such as adequate political and governmental change, which - until now - had no legislative continuity. However, the presence of professional travel associations, the advisory board of tourism or any tourism related company may produce a change. A change that is essential, which will provide a foundation for numerous actions must be taken, among which we mention only identifying the best and necessary legislation and incorporating them into a single legal framework as a tourism Romanian law.

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