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## MEASURES AND ACTIVITIES FOR DEVELOPMENT OF INNOVATIVE RURAL TOURISM IN ROMANIA

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### **Abstract**

Any growth is based on certain innovative components, as this also can gain a competitive advantage in a sustainable development of a market that is in permanent evolution. Tourism represents one of the most important sectors, having important implications in socio-economic and in demographic development any country. Tourism and all its forms, is in a direct positive relationship with the social, economic and demographic component of rural areas. This research analyzes the evolution of the number of people employed in the period 2005-2015 and the number of accommodations in specific environmental areas, such as boarding-type accommodation units, by processing the data provided by the National Institute of Statistics of Romania. Supporting and developing new business in the non-agriculture field, like developing the rural tourism, training and retraining of the human resources in order to incorporate their labor on the market of tourism by increasing the absorption of EU funds, and by promoting and supporting volunteer tourism, represent two solutions of rural development in a prosperous socio-economic framework.

**Keywords:** Rural tourism, Innovation, Development, Human resources, Romania.

**JEL Classification:** F63, M21, O15, Q01, Z32.

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### **Introduction**

The European Union has become one of the most important tourist attraction, but moreover one which is considering one of the most important innovation components that underlies the development of tourism sector, with constantly high quality tourism services. Also, in European Union there are certain countries that are still in development and expansion and in which the innovation component is in its infancy compared to already developed countries in the EU.

In Romania it is very true that this component of research and development and the innovation component it is just at the beginning, but our country know a potentially important development in terms of tourism resources and also in terms of potential

development of business. Romania has significant natural and human resources, which makes it a country with great development potential in terms of tourism.

An important niche that should be considered to be explored is tourism from rural areas called rural tourism, with all its forms and also agro tourism and ecotourism. The advantages of these forms of tourism are many, including: travel with much lower prices, multiple possibilities of leisure, participating in agricultural activities or handicraft, hospitality.

According to the 2011 census about 44.80% of the population is located in rural zones. In these rural zones the standard of living is very low and the education level is also low, and the main activity of these people from rural areas is still agriculture. These problems negatively influence the social sector, even demographic economy.

### **Literature review**

Rural tourism has undergone many definitions over time. It is a concept, a system of all tourist activities undertaken in rural zones (Nistoreanu, 2008).

UNWTO (World Tourism Organization) said that rural tourism includes the development of touristic well organized activities, developed and implemented in rural areas by people residing in rural areas, by harnessing to all opportunities for tourism such as natural, human, cultural resources, including even the accommodation units, the boarding farms and agricultural holdings (Tabără-Amănar et al., 2012).

All these effects have positive implications in the social, economic, cultural and environmental, and can positively affect the entire community life in rural areas (Brad et al., 2015).

People working in rural tourism or any form of tourism in this sector, should have minimal knowledge about the start, setting up and running a business, on conditions and criteria for credit or obtain a financing for such a business, about the minimum conditions accomplish a unit structure with functions of tourist accommodation on tourism activity, with the ultimate objective, socio-economic prosperity of a business in rural tourism.

The tourism in rural zones is represented in Romania by SMEs, which are most often family business. In this case the component of research and development and also the innovation component is not taken in consideration, most times, these people who run businesses in rural tourism, do not know what the innovation component requires. Also, these SMEs do not have large financial resources to allocate budget for developing the innovation, and prefer to follow teachings practiced since ancient times, teachings from father to son (Petroman et al., 2010).

Lately, more and more companies have turned their attention in supporting and developing innovative solutions for the management component, neglecting supporting and developing innovative solutions in the tourism component, where tourists began to shift and appreciate more and more quality products and services, even if they involve higher costs (Ciolac et. al., 2013).

### **Methodology**

This research provides an analysis of the evolution of tourism in Romania, in rural zones, in the period 2005-2015, during which, it had been considered both the pre-accession period and the time of the accession to the European Union. The data utilized were collected by the National Institute of Statistics regarding the number of units with functions of tourist accommodation and boarding-house, and also the number of people employed in tourism,

in rural zones. In rural areas, the prevailing form of tourism is agro tourism and the main unit with functions of tourist accommodation is the boarding-house. Through this research we analyzed the evolution over the decade 2005-2015 of the number of rural boarding houses evolution in Romania, to identify and propose real opportunities for sustaining and developing the rural area.

**Results and discussions**

Rural tourism is an attraction for foreign tourists, because of their possibility to explore new rural environments, clean and quiet, with a lot of traditions.

The units with functions of tourist accommodation structure and human resources are one of the most important agents in the development of tourism in rural zones. They are all too important due to the rural tourism concept, important in cultivating a positive mindset among others to explore the countryside and which together with natural tourist resources available, is able to successfully promote these rural areas.

Thus, in Romania, it is observed that during the analyzed number of structures with functions of tourist accommodation, such boarding-house increased by 100.62%, from 956 in 2005 to a total agro pension of 1918 in 2015.

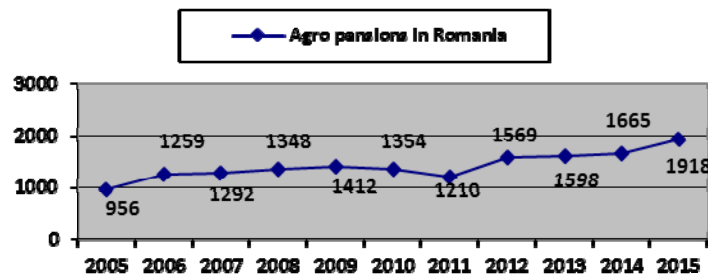


Figure no.1: Agro pensions in Romania

Source: The National Institute of Statistics of Romania

In South-East Region of Romania, it is observed that during the analyzed number of structures with functions of tourist accommodation such boarding-house fell 4.71% from 85 agro pensions in 2005 to a total of 81 agro pensions in 2015. The greatest increase in terms of the boarding number was recorded in agro pensions in the period 2005-2010 when there was a 22.35% increase.

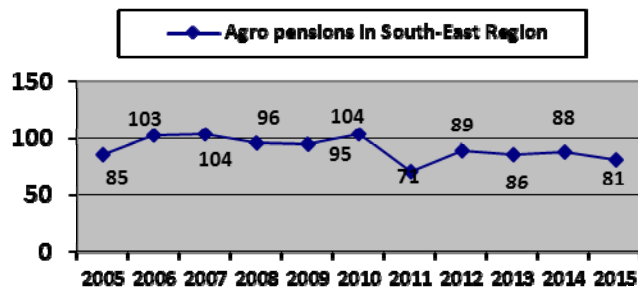


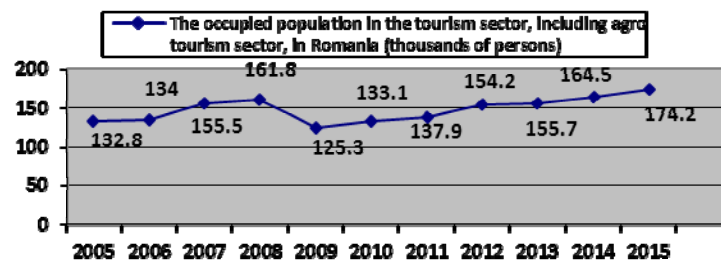
Figure no.2: Agro pensions in South-East Region

Source: The National Institute of Statistics of Romania

In 2011 it was registered both nationally and at the level of South-East Development Region, the drastic decline in the number of agro-boarding houses. Nationally, the number of boarding-houses decreased by 10.64% compared to 2010, while in the South East Development Region, the number of boarding-houses fell 31.74%. This decrease is attributed to the financial crisis that took place in Romania, which has reduced both local and foreign investments and the closure of existing agro pensions.

Also, other causes of such sharp decrease can be attributed to the measures taken by the government, which ended with the closure of many SMEs with underdeveloped transport infrastructure and low motivation of human resources. All these causes are directly affecting the quality of tourism services and automatically influence the consumer's behavior.

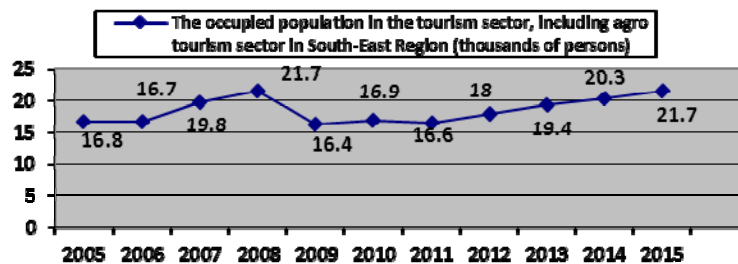
Since 2012, as you can see, it has been recorded an increase nationally with 29.66% and in the South East Development Region an increase by 25.35%



**Figure no. 3: The occupied population in the tourism sector, including agro tourism sector in Romania (thousands of person)**

*Source: The National Institute of Statistics of Romania*

In terms of the population occupied in Southeast Region, there was an increase of 29.16% of the working population, increasing from a value of 16.800 people in 2005 to a value of 21.700 people in 2015. The most significant drop is recorded in accordance with the nationally decrease in 2009, the number of people employed in the tourism sector registering a decrease of 24.43%, thereby reducing the value of 21.700 people in 2008, to a value of only 16.400 people in 2009.



**Figure no.4: The occupied population in the tourism sector, including agro tourism sector in South-East Region (thousands of person)**

*Source: Data processed by the National Institute of Statistics of Romania*

Analyzing statistical indicators presented above, one can see a general increase both nationally and in the region of South-East development, evolution that has been recorded due to the integration of Romania into the European Union, compared with the pre-accession period, due to main national projects carried out with human resources, projects with European funding that encouraged both investors in certain priority sectors such as tourism, and also agro-tourism, observing thus the increasing of the number of agro-pensions in this period, with effects in creating new jobs in the training of the human resources in order to incorporate their labor on the market, projects implemented in the first financial year, projects such as the Sectorial Operational Program Human resources Development 2007-2013 (SOP HRD), The National Program for Rural Development 2007-2013 (RDP) 2007-2013 Regional Operational program (ROP), etc.

In South-East Region there has been an increase proportional to the increase recorded nationally in terms of the number of boarding-house because of low absorption of EU funds, bureaucracy demanded by government officials' management and tax matters that negatively influenced the evolution.

### **Innovative measures and activities to support and develop tourism services**

Romania has a significant potential for socio-economic development in terms of exploitation of the tourism sector in rural zones and should be supported and developed in order to increase competitiveness on the European market, in order to attract a larger number of tourists. Thus the present research we have identified two innovative measures and activities for support and development of services in rural tourism, like:

- increasing the absorption rate of EU funds in the new budget of 2014-2020;
- sustaining and promoting the tourism voluntary practice.

Volunteer tourism implies the possibility of traveling in another country of some persons that have accommodation and meals provided during such a stay, attending instead to conduct agricultural activities or handicraft for the undertaken host or participate in activities of preparing and serving meals for other visitors. These owners of guesthouses and hotels are exempted from certain salary expenses of certain persons, and in exchange for accommodation and meals provided; receive free labor through voluntary agreement in the field of tourism. Western Europe successfully practices this type of tourism and attracts more and more tourists by this measure and innovative activity. The volunteers and tourists benefit from holidays and free rides in exchange for the provision of unpaid services.

They were identified two innovative measures and activities, which can help develop this niche. For people living in rural areas of Romania, this form of practice of rural tourist services can be very beneficial in order to attract a large number of tourists, eager to meet new environments, cultures, traditions and customs that in exchange for insurance of accommodation and meals, may directly participate in agricultural activities and crafts developed by farmers or hosts who practice this form of tourism, benefiting from free labor and also promote rural tourism in the area.

By this method and innovative measure, those working in the field of tourism in rural areas in Romania, benefit from some marketing and free advertising on the site, of the culture and traditions, as tourists voluntary can spread news of such practices and news on such a place where tourism is developed, both among friends and acquaintances, via social media channels, which are the most important these being the most used free advertising and promotion channels now. By this innovative measure, a rural tourism entrepreneur can create a brand which is important in tourism. .

The second solution and the most important is the growth of European funds absorption at the national level. Romania must have a clear strategy to absorb the European funds in the last fiscal year 2014-2020, and must learn from the positive experiences and also the negative budgetary year 2007-2013 to bureaucratize absorption of European funds, to increase ownership and timeliness of payment and reimbursement of expenses for beneficiaries of European funds simplify accessing them and increase their absorption rate.

The most important operational programs for accessing European funds in tourism and agro tourism are: The Human Capital Operational Program 2014-2020 and The National Program for Rural Development 2014-2020 (Table No.1).

**Table no. 1: Operational programs for the European funds in tourism and agro tourism**

<b>Program</b>	<b>Measure</b>	<b>Total amount allocated</b>	<b>Specific objectives</b>
<b>Human Capital Operational Program 2014-2020</b>	<b>Priority Axis 1 - Youth Employment Initiative</b>	*230.693.510 Euro	* Increasing the employment of young Neets unemployed aged 16-24 years registered with the Public Employment Service and residing in the eligible regions (Central, South-East and South Muntenia) *Improving skills, acquired in non-formal and informal system of Neets unemployed young people aged 16-24 years residing in the eligible regions (Central, South-East and South Muntenia)
<b>Human Capital Operational Program 2014-2020</b>	<b>Priority Axis 2 - Improving the situation of young people Neets category</b>	*408.572.233 Euro for the less developed regions and *18.701.987 Euro for the Bucharest-Ilfov	* Increasing the employment of young Neets unemployed aged 16-24 years registered with the Public Employment Service, residing in the eligible regions (Bucharest-Ilfov, North-East, North-West, South-West Oltenia) * Improving skills, including assessment and certification of skills acquired in a non-formal and informal youth Neets unemployed aged 16-24 years registered with the Public Employment Service, residing in the eligible regions (Bucharest-Ilfov, North East, North-West, South-West Oltenia) * Increasing number of young Neets inactive registered with the Public Employment Service
<b>Human Capital Operational Program 2014-2020</b>	<b>Priority Axis 3 - Jobs for all</b>	*1.270.959.911 Euros for less developed regions and *24.853.622 Euro for the Bucharest-Ilfov	* Specific objective targeted by this investment priority is to improve the knowledge / skills / aptitudes related economic sectors / areas identified under NAS and SNCDI employees.
<b>Human Capital Operational Program 2014-2020</b>	<b>Priority Axis 4 - Social inclusion and combating poverty</b>	*1.047.023.965 Euros for less developed regions and	* Reducing the number of people at risk of poverty and social exclusion of marginalized communities in which there is a minority of rome population

		*63.168.893 Euro for the Bucharest-Ilfov	by implementing integrated measures * Reducing the number of people at risk of poverty and social exclusion of marginalized communities (non-rome), by implementing integrated measures * Reducing the number of persons belonging to vulnerable groups out of the situation of vulnerability by providing social services / medical / socio-professional / vocational training etc. for the specific needs for socio-professional integration
<b>National Program for Rural Development 2014-2020</b>	<b>Sub-measure 6.2 - Support for the establishment of non-agricultural activities in rural areas</b>	*70,000 Euro / project for production activities, medical services, veterinary and agro tourism	* Creation of new non-agricultural activities, especially for small farmers and their families and generally for small entrepreneurs in rural areas; * Diversification of the rural economy by increasing the number of micro and small enterprises in the non-agricultural development of services and creating jobs in rural areas; * Encouraging the maintenance and development of traditional activities.
<b>National Program for Rural Development 2014-2020</b>	<b>Sub-measure 6.4 - Investments in creation and development of non-agricultural activities</b>	*200.000 Euro / beneficiary in three years tax project where production activities, medical services, veterinary and agro tourism	*Stimulating business in the area, contributing to an increase in non-agricultural activities carried out in rural areas; *Developing existing non-agricultural activities;  *Creating jobs, increase of rural income and reducing of disparities between rural and urban;

Source: Structural funds and investment 2014-2020

For the budgetary period 2014-2020 we have identified and proposed for the development of tourism in rural zones the accessing the HCPO (Human Capital Operational Program), Priority 1, Priority 2 and Priority 3 which aims to support human resources development.

Under Priority Axis 1 and under Priority Axis the Neets' category are proposed as eligible assets, vocational guidance and counseling of young Neets (Not in Education, Employment or Training) access to training programs for them, apprenticeships, internships, assessment and certification of skills and competences acquired both in an informal system as well as formal, mediation server and job placement. Under Priority Axis 3 - Jobs for All: aims to improve the knowledge, skills and abilities related to economic sectors and areas identified under CNS employees, and encouraging employers to organize learning programs at work in priority areas under CNS. In the CNS (National Strategy for Competitiveness 2014-2020), we find among economic sectors with potential for smart specialization, tourism and ecotourism sectors which have an important economic role and influence on the growth rate of employment in the Romania. Priority 4 - Social inclusion and combating poverty aims to reduce the number of people at risk of poverty and exclusion of marginalized communities, focusing on roma people by implementing integrated measures, including in tourism.

The development of tourism can also be conducted through the National Rural Development Plan 2014-2020, by accessing two sub-measures: The sub-measure 6.2:

Support for the creation of non-agricultural activities in rural areas and the sub-measure 6.4: Investments in creation and development of non-agricultural activities.

In order for the absorption of these European funds to grow there must be a peace policy in Romania, to reduce the level of bureaucracy, reduce the level of corruption in European funds, to increase the degree of transparency of the process of evaluation of the projects submitted, and to meet the payment terms or repayment made by authorities' management. By supporting human resources development in the tourism sector will directly increase the competitiveness of Romania at the European level, thus increasing the absorption of EU funds. It needs to be a clear and assumed strategy by any government at the head of Romania for sustainable competitive micro-economy and macro-economy.

### **Conclusions**

Romania is a country in full development, which was hit by changes among governments in power, thus registering negative effects at the socio-economic level, population reduction, migration of population, lowering of levels of living.

The economic crisis in Romania was also felt and had as results the loss of jobs for many people, closure and bankruptcy of companies. As a result of these problems, Romania must identify niche segments for development, with significant potential for recovery in terms of socio-economic development and such an operating segment with great potential is rural tourism and agro tourism.

By analyzing statistical indicators offered by the National Institute of Statistics of Romania we were able to indicate that the number of accommodations such agro-boarding increased during the analyzed nationally, while the SDR-East was declined.

In 2011 year there was the drastic decrease in the number of accommodation units in Romania and in the South-East region. This drastic decrease was due to the fact of negative effects of the economic crisis and halting investments in the agro sector.

Also, in the analyzed period it can be seen as well as nationally and in the South-East region, that is has been an increase into the number of people employed in the tourism sector, including agro-tourism, and the only year in which it has been experienced a sharp decline was 2009.

These innovative measures and activities have been identified and proposed as a result of the tendency of consumers (tourists), constantly evolving, which tend to focus on high quality now, even if the cost is higher. Human resources working in tourism are the main link between tourism services accessed by tourists and visitors who benefit from these services and their permanent development and qualification is a real need for harmonious development and competitive rural tourism sector in Romania.

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