

---

**CONSIDERATIONS ON THE INFLUENCE OF THE ECONOMIC CRISIS ON RURAL  
TOURISM IN ROMANIA**

**Madalina-Teodora Andrei, Assist. Prof., PhD, Tamara Simon, Senior Researcher,  
"Spiru Haret" University of Bucharest/The National Institute for Research and  
Development in Tourism, Bucharest**

*Abstract: In Romania, before 1990, rural tourism was a form of tourism is hardly developed. Also, rural tourism activities were reduced in number and expanding in geographical space. In 1988 there were only 244 tourist boarding houses throughout the country, mostly concentrated in the mountains. Socio-economic relations of the local population with foreigners as tourists were encouraged. After changing policies, legal and economic in 1990, rural tourism has been the most dynamic development. Thus, a total of 350 tourist boarding houses in 1995 were reached in 2011 to 2290 of tourist boarding houses and agro-tourism. Are most sought because the agro pensions are closer to nature and owners have the basic occupation of farming. Since 2009, with the advent of the first effects of the economic crisis, of all existing forms of tourism in Romania, rural tourism has undergone multiple changes. Some of these have a negative impact on tourist traffic, demographic stability of the population, especially the local development of villages.*

**Keywords: economical crisis, rural tourism, local development.**

### **Introduction**

By slowing the developing pace, the deterioration phenomenon of the world's economy spreads worldwide. The cyclic succession character of some developing period less readjusted, implying other risks, had a strong impact over the period between 2000-2013. The inappropriate economical policies, the pattern of economical growth based on an excessive consumption, financial deregulation and the weak enforcement of business ethics, the carefree loan towards economical companies and persons with poor financial resources, the exaggerated facilitation of the real estates agencies were the key elements which triggered the economical crisis. Especially, the easy and rapid access to obtain credit, coming from banks, under the auspices of a relaxed monetary policy and the mimetic attitude of the banks, without taking cautious measures led to the burst of this crisis.

First signs appeared in the United States and then expanded to countries from all continents. Practically, since 2008 the effects of the global economical crisis have become visible, having different forms of impact, according to the developing degree of each state. As a member of the EU since 2007, Romania hasn't succeeded in getting through the negative challenges of this economical phenomenon. The international financial crisis was only the trigger for the domestic economical crisis, because it influenced the financing sources and reduced the direct investments. In Romania, the occurrence of the actual crisis doesn't imply the same reasons like the one in the United States or EU. Besides the challenges brought by the crisis over countries Romania deploys export activities, there is also a domestic crisis, induced by some abusive measures that had been applied in the macroeconomical policies in the past years. The economic growth was centrated on consumption, being financed on debt

and thus the consumption was strongly supported beyond certain limits of productivity and efficiency. [1] The weak points of a destabilized economy, compared as well to the augmentation of budgetary spendings from the governmental and public administration, with its postponed numerous structural reforms, are getting more and more obvious.

### **The general economical context**

Within the present European and international configuration, since 2009, Romania succeeded obtaining a loan of 19,5 billion € by signing an agreement with the International Monetary Fund, the World Bank, the European Committee, the European Bank for Reconstruction and Development. This loan was granted on the condition that some reforms and restructurings should be applied, a measure that would reduce the budgetary deficit and losses in the economy. According to the BERD prediction, cutting of the public sector employees salaries by 25% and rising the VAT by 5%, from 19% to 24%, adopted by the Government in order to situate itself within the objectives included in the IMF agreement hadn't a short term effect, but on a much longer term. [3] The present economical situation mirrors that uncertainty is still flying, regarding the economical growth in the euro zone, the state of austerity is still maintained in all EU member countries and the volatility on the financial markets hasn't considerably diminished. Thus, the international institutions anticipations are submitted to negative resurvey almost every semester, concerning almost every country on the globe. The main cause for the deterioration of the saving situation is the aggravation of the recession, followed by a burdening fiscality (including inflation). Another cause has its roots in the monetary policy, more exactly in the policy that offers unnatural interests reduced to zero (there are not free products or zero interest in the economy) through which the state created negative stimulents at a saving level. The creditation was made at low interest, but, unfortunately it wasn't done of saving accounts (by giving up the present consumption), but of out of a blue capitals (issuing, fractional reserve) and, consequently the priceless cash didn't only determine an economical growth, but resources redistribution and power to empty the pockets of some while transferring the sums to others.

In the last years during the more pronounced manifestation of the crisis, the savings' drop represents the first sign of a long term crisis, which will affect more intensively the majority of the population life standards. Getting through this situation imposes that the local authorities should reduce some of the fiscal burden, should act concerted for supporting the authentic and real privat capital (not artificially conceived), should encourage both the private initiative and capital accumulation, should allow the market and entrepreneurs the necessary economical freedom to open and develop new business. A more reduced level of inflation, lesser control and manipulation of interest and exchange rate, fewer taxes, more reduced level are just some of the necessary interventions for the Romanian economy.

### **Present aspects of the Romanian agrarian environment**

Generally speaking, a constant rural developing programme can't be conceived without the agriculture not playing an essential role. Even though important permutations intervened, lately in the role and functions of the agriculture, it still remains an important element of every rural developing programme. At the same time, the problem of creating a

new philosophy in the agricultural development appeared, which led to the idea of changing the center of gravity from the productionist aspect of the agriculture to the its multifunctional one.

Although from the strict point of view of production and profit the multifunctional agriculture is less competitive, in exchange, from other points of view (touristic, landscapes, ecological, social, etc) it is preferred. Basically, the multifunctional agriculture carries out the same economical functions as it is the case of specialized and hyperintensive agriculture, but, taking over new functions, as:

- producing energetical raw materials-bioenergetics, a new and extremely important function in areas with alimentary overproduction;
- increasing the touristic capital by keeping in safe conditions the scenic heritage and by embellishing it, and of the fauna and flower biodiversity;
- conserving both the primordial elements and the biodiversity ones (soil, air, water, flowers, fauna), by their expended exploitation in a friendly environment which assures the stability of ecosystems in the agriculture;
- the harmonization of cultural and social functions in the rural area should be in tight connexion with a healthy and diversified agriculture.

In many rural areas, alongside silviculture, the agriculture represents the main pillar of the Romanian rural territory. After almost three centuries, Romania was and continues to be well known at an European level as a country with dominant agrarian profile. The first data and statistical informations from a century and a half ago, reflect this phenomenon. The rural areas dispose of a substantial growth potential and have a vital and determinant social role.

According to the definition written in the national legislation, Romanian rural areas are extended to 87,1% of the country's territory, comprising 44,9% of the population, namely 9,63 million inhabitants in 2010, compared to 9,65 millions in 2009. The average population density from the rural areas remained quite constant over the years (at about 45,1 inhabitants/km<sup>2</sup>).

Under the OCDE methodology, when talking about the rural notion, there are slightly different numbers from country to country, but it still allows comparisons on international plan. Thus, it is considered that the Romanian territory is in conformity with this application, offering the following data: around 59% of the territory is predominantly rural, 40% of the region has an intermediate nature and only 1% is predominantly urban.[4] By summing its activities, the agriculture hasn't benefited from a continuous policy and from here there are easily noticed the poor present performances and the presence of a high level of poverty, holding a value of about 45% from the entire population, compared to 15-20% in the urban environment. [5] According to the latest figures published by Eurostat, by the end of 2011, Romania had in its possession one of the most vast surface of agrarian land in balance to the entire land surface, more exactly 58,78% compared to the 45% EU registered average. Moreover, according to a Coface survey [6], despite its significative potential, Romania occupies the bottom places in the EU, from the point of effectively using the agricultural lands. Thus, the added value in agriculture per each employed worker in the sector (stated in average prices of the year 2000, in American dollars) consists in Romania, of 8 993 dollars/year, half a sum compared to the EU average. Also, the share of the agricultural

sector still remains over 3 times bigger than the European average of EU-27 for 2001-2010, of 1,7% [7]. In Romania, the size of an agrarian use reaches the average of about 3,5 hectares. Related to the European average, the value for Romania is almost four times smaller (the average use surface at EU27 level is of 12,6 hectares). Newer data (supplied by the Agrarian General Census in 2010) show that structural changes in Romania continued decreasing. In 2010, the total agrarian operations number was of 3856000, 2% less compared to 2007, on a used surface of 13,9 million hectares (an average dimension of 3,45 hectares/farm, which remained almost the same in the last 4 years). A part of those, 99,2% were operations lacking judicial personality (individual farms, authorized physical persons, family partnerships), operating 56% of the total of registred agrarian land, namely 1,95% he/farm as an average.

In Romania, agrarian lands holding a surface smaller than 5 hectares, represented, in 2010, 90% of the entire operations and only 29,7% of the used agrarian surface was worked (the under existence farms with dimensions smaller than 2 hectares, representing 71% of the total lands and operating 13% of SAU, of which lands having less than 1 hectare occupying 4,5% of SAU).

The persistence of major importance in agriculture in the rural Romanian economy is generated by the fact that the agrarian surface used by farms with commercial status, efficient and competitive farms, is almost equal to the one on which an underresistance agriculture is practiced. [8] Moreover, according to 2011 statistics, 12% of the agrarian Romanian land belong to foreigners. Romania is the first country in Europe in what concerns the importance of foreign companies created in agriculture, about 5% of the agrarian surface belonging to these companies. This position was considered to be an advantage because, due to the obtained productions important exports had been achieved. This situation is possible, although, at the present moment, a foreigner citizen can't be the owner of an agrarian land, but can exploit and buy properties by founding a commercial company. Since 2014, any resident of the EU will be in the direct position of purchasing properties, thus, a consistent growth of prices is to be anticipated.

Official statistics data, concerning the vegetal and animal production show that Romania's agriculture has known a 11% growth in 2012, compared to the previous year. Due to the drought, some cultures registred some major losses. 1/3 of this growth is due to foreigners who came to our country, the emphasis focusing on the green agriculture. Along the time, governmental institutions didn't try diminishing the phenomenon of selling agrarian properties to foreigners.

After the 1989 revolution, in the absence of abiding policies, of coherent long term strategies, of developing the branches in the agriculture, this economical sector found itself in an underdevelopment situation. The Romania of today is a country with no agrarian perspective. As long as the country has opened its agrarian markets to welcome foreigners' investments, Romanian authorities seem to lack any coherent direction towards the future of the agrarian sector in this country. Often changes in the legislation and of judicial norms, but also in the fiscal sector, from one government to another have led to an ambivalent state among agriculturalists and it renders impossible for political analysts to keep adequately the effects of any policy. If a real vision for the future of the Romanian agriculture ever existed, Romanian authorities would be able to negotiate more efficiently with the foreign investors in

order to build a better up-stream and down-stream infrastructure, so that Romania could be up-to-date, self-sufficient in the alimentary production. However, this aspect hasn't been taken yet into consideration. The governmental institutions rely too much on the European Union's policies and funds to replace what should be considered national level decisions. European agrarian policies conceived in Brussels aren't ment to be national policies and can't replace specific local decisions.

### **The evolution of agrarian tourism in Romania**

Among major tourism forms, in the last 20 years, the agrarian tourism had the most powerful economical development and territorial broadening. In many counties, especially in the mountain area, numerous agrarian pensions appeared. In spite all this and although it has been more than two decades from this endeavour, it can be said that there are still enogh things to accomplish in order to develop this form of tourism. Most undertakers have taken this road following their own initiative, without receiving any special support from the local authorities. [9] A great number of villagers, who started their own agrarian microfarms, saw the agrarian tourism as an opportunity to better their incomes and to exploit the small agrarian production, to emphasize also the less known cultural and natural touristic objectives, contributing directly to its advertising.

Since 1991, with the beginning of postcommunist period, there hadn't been a coherent form for notating the number of these pensions, when all accommodation unities in the agrarian environment had been taken into account and then separated from the agro-touristic pensions. That is why a detailed analisis, based on years, can't be achieved because a serie of statistical data lacks.

Based on statistical data put to our disposal, an evolution of this form of tourism comes out to light, a form which has the merit of laying stress on the traditional art and culture in many Romanian villages. As regards to 2005-2011, the number of agrarian pensions has registered a growth in touristic accommodation unities till 2009, after which a slow decline followed. Thus, from 1412 touristic agrarian pensions it reached a number of 1210. In 2005, the agrarian tourism unites held around 22,62% of the existenting ones in Romania, in 2008, around 27,85% and then, gradually went down to 24,18% in 2011. This shows that, due to tourists' income deflation, but also due to the increasing of the prices to energy, gas, fuel a great number of pensions closed down. While closing down pensions, other accommodation unities did the same, some of which taken out to direct sale or auctioned for accumulated debts. On the other side, the rise of prices for construction materials, the lack of qualified manpower in the agrarian environment, the new and more difficult conditions imposed on creditors made like most land and agrarian farm owners not invest anymore in agrotouristic pensions.

Same thing happened to accommodation number and accommodation days spent in these unities. As for the number of accommodation rooms, the share compaired to the total number of rooms in Romania is smaller, a proof that most pensions have less than 10 rooms, most of them with only two beds. In this context, in 2005, the share was of 4,07%, in 2007 of 5,44%, in 2009 of 6,51% and in 2011 of 7,42%. The latter comes in contradiction with the decrease of the touristic and agrarian pensions number as accommodation unities, but holds

its explanation in that it is due to negative effects of the economical crisis, that many accommodation unities preferred retiring from the touristic market (hotels, inns, cottages, mansions, trailer camps, chalets, pull-ins, etc).

At the indicator accommodation/days, the situation is almost similar to that of accommodation unities, but the only difference is given by the fact that the shares are bigger. Thus, in 2005, the share of the Romania's total was of 5,64%, in 2007 of 6,82%, in 2009 of 7,74% and in 2011 of 7,86%. The information concerning the frequency around accommodation structures shows that the phenomenon of arriving tourists in accommodation structures all over the country declined considerable from 2009, but redressed in a slight manner in 2011, still not attaining the same level as the one in 2008. Hence, in 2008, around 7125307 arrivals were registered but in 2010 only 6072757 were registered and in 2011, a minor improvement to 7031606 was registered. For foreign tourists the decline is obvious only for 2009, registering afterwards a mere improvement. This situation shows that foreign tourists, especially those coming from European countries, haven't disposed of substantial incomes to choose spending their holidays in exotic and far touristic destinations but preferred instead going to places found in the proximity of their countries.

In the agrarian space, the agrotouristic pensions confronted themselves with the same situation but at a lower scale. The diminutions were much smaller, so, if in 2008 19856 arrivals were registered, in 2009 it went down to 19282, followed by a period of slight improvement, respectively of 19677 in 2010 and of 2692 in 2011.

Spending night over as a statistical indicator shows almost the same example of dynamics. In this context, the tourists only prefer short stayings on lesser days. A great number of tourists prefer spending time in an agrarian touristic pension at the end of the week or for spending important religious days next to family and friends. There are situations when small pensions of 4-5 rooms are lent on these occasions.

As for the indicators which reflect the way agrarian pensions are being used as well as the incomes which are currently obtained it is obvious that the number is very small, compared to national level facts. The fact that the tourists are still arriving doesn't show that this economical crisis would have affected in a great number the business associated to this tourism segment. This is due to the fact that prices were diminished in comparison to those demanded by hotels and in spite of the fact that the tourists registered lower incomes, they chose to pay for attractive touristic services, but at reasonable prices compared to the inflation and with the general growth of the prices.

Overall, it can be specified that, related to bedding accommodation, the value is smaller when talking about arrivals, certifying that the staying period was shorter. It can be easily remarked that, for the entire period of manifesting the crisis effects, the values didn't decline in a significant manner, but, on the contrary, a mere growth is registered, a tendency which also lasted for 2012.

In 2009, the occupational index for touristic pensions was of only 14,2% compared to the national average of 28,4%, and in 2011 registered a value of 14,3% compared to 26,4%. The average staying period for a total of tourists was of 2,8 days/tourist in 2009, and for the agrarian pensions of 2,1. In the agrarian pensions in 2009 the foreign tourists had a staying of

2,9 days/tourist but in 2011 the number reduced to 2,5%, showing year to year fluctuation and presenting values from 22,4-2,5-2,8 days/tourist.

Overall, there are real chances that the rural tourism, especially in the agrarian pensions, should occupy a better position and share at national level, if it also disposed of an improved opportunity system for small farmers who are developing a touristic business in the rural environment.

### **Conclusions**

Despite the fact that Romania holds an excellent agrarian potential, exceeding the number of 40% of rural population, with a variety of cultural and natural landscapes, its performances in the agrarian tourism are not spectacular. The business environment in the rural area is in incipient form and the lack of modern communication infrastructure makes the small rural farm hold poor performances.

Compared to other forms of tourism, the tourists who are oriented towards the rural environment are attracted by the multiple choices of spending their free time – backcamping, the tourism that implies riding bikes, fishing and hunting, green tourism in the protected areas, interest for authentic customs and habits. The interest for this form of tourism has amplified thus growing the number of agrarian pensions. This was implemented by the course of the SAPARD programme and then, by the European funds programmes from 2007-2013, which sustained the touristic activity in the rural environment.

The economical crisis hasn't diminished the Romanian tourists appetite who are encountered in majority in the agrarian pensions and has kept, at a relative constant value, the number of foreign tourists. This situation demonstrates that, despite restraints and austerity in the present economy, it can't be said that small farmers hadn't had clients.

The essential problem is that the number of arriving tourists is still small compared to the existent offer for the accommodation places and that the occupation degree should rise up to 25-30%, in order for the gained incomes to be bigger.

There are also some tendencies which will reduce the expansion possibility of this form of tourism, in other Romanian geographical areas. In this way, starting with 2014, the interdiction of buying properties will be eliminated, and consequently, the real estate market will be much more opened to acquisitions coming from foreign citizens. Under the conditions imposed by the Adherence Treaty, Romania didn't know how to introduce clauses for the extension of interdiction clause to buy agrarian lands, as was the case for Czech Republic, Poland. The important land owners aren't interested in practicing the agrarian tourism, where the profit is small and the amount of work is considerably bigger.

The application from 2013 of the tax on animal and vegetal production, starting with certain values, using a 16% level from the gained incomes, payable in two rates, will put under new fiscal pressures the small rural household, so that the home-made products served to tourists will become more expensive. Under these circumstances, it is likely for many agrarian pensions to disappear in the next period.

**REFERENCES:**

[http://www.zf.ro/opinii/criza-economica-interna-cauze-si-solutii-3544642/Criza\\_economica\\_interna:\\_cauze\\_si\\_solutii,\\_autor\\_Liviu\\_Voinea/23noiembrie2008](http://www.zf.ro/opinii/criza-economica-interna-cauze-si-solutii-3544642/Criza_economica_interna:_cauze_si_solutii,_autor_Liviu_Voinea/23noiembrie2008)

<http://www.wall-street.ro/articol/Economie/89815/BERD-si-a-inrautatit-estimările-Contractie-de-3-pentru-economia-Romaniei.html/23iulie2010>

Using dates provided by the National Statistics Institute- “ *The population consumption Availability*”, annual statistical publication,2012, Bucharest.

\*\*\* National Statistics Institute (2011) *National Accounts* - pages 309-372, *Agriculture* - pages 433-470, *Tourism* – pages 603-621, *The population incomes and Consumptions* – pages 127-174.

[http://strategia.ncsd.ro/docs/comentarii/5\\_ot.pdf/cifra\\_avansata\\_de\\_Institutul\\_Naional\\_de\\_Cercetari\\_Economice\\_si\\_Institutul\\_de\\_Economie\\_Agrara,\\_ambele\\_sub\\_egida\\_Academiei\\_Romane,\\_2008,\\_pg.2](http://strategia.ncsd.ro/docs/comentarii/5_ot.pdf/cifra_avansata_de_Institutul_Naional_de_Cercetari_Economice_si_Institutul_de_Economie_Agrara,_ambele_sub_egida_Academiei_Romane,_2008,_pg.2)

[http://www.coface.ro/CofacePortal/RO/ro\\_RO/pages/home/cine\\_suntem/cof\\_romania/2013](http://www.coface.ro/CofacePortal/RO/ro_RO/pages/home/cine_suntem/cof_romania/2013)

\*\*\* National Statistics Institute (2012) *National Accounts* - pg.313-348, *Agriculture* - pg. 411-448, *Tourism* - pg.577-600, *The population incomes and Consumptions* - pg.131-178;

Using dates provided by the National Romanian Annuals, National Statistic Institute Bucharest, 2013.

\*\*\* OMT (2008) *Master-plan for the development of Romania’s national tourism for The period between 2007-2026*, pdf, pages 1- 163.