

EUROPEAN STRUCTURAL FUNDS IMPACT ON TOURISM DEVELOPMENT IN SOUTH WEST OLTENIA REGION

SMARANDACHE (PĂSĂTOIU) MARIJANA CRISTINA

PHD STUDENT – UNIVERSITY OF CRAIOVA. FACULTY OF ECONOMICS AND BUSINESS
ADMINISTRATION

e-mail: cristina.pasatoiu@yahoo.com

Abstract

Worldwide, European, national or local level, the tourism industry is the most dynamic, with a steady upward trend for many economies being an important source of economic recovery and growth due to its overwhelming impact on socio-economic development, employment and environmental protection.

European integration raised a series of challenges but also many development opportunities for economic sectors, tourism being one of the key strategic areas for the smart and sustainable growth and economic recovery of member states. The financial instruments of the Community Cohesion and Agricultural Policy, best known as European Structural Funds, provided many opportunities for investment in tourism infrastructure and socio-economic development of the beneficiaries. This article introduces briefly the key findings generated by a more extensive research on the economic impact of structural funds investment in tourism sector for South West Oltenia Region.

Keywords: *tourism, structural funds, economic development, tourism infrastructure, statistic data.*

Clasificare JEL : *M20, M21*

1. Introduction and context of the study

Tourism is a global phenomenon characterized by an overwhelmingly diversified and rich physical and human infrastructure with a consistent impact to other economic sectors such as transport, communications, food and entertainment, etc. The impact and influence of tourism is manifested both directly in economic growth and employment as well as in other areas such as politics, culture and the environment.

According to UNWTO's 2017 annual report, the worldwide tourism industry has experiencing an upward trend for the eighth consecutive year, with the number of international tourists increasing with a constant rate of 4% over 2016 to reach 1323 million tourists. The positive, upward trend of the tourism sector outperformed general economic growth, tourism being the only area whose development has not been so badly affected by the economic crisis. The average increase in world tourism between 2010 and 2017 was around a relative constant rate of 4% annually, supported by both developed economies, which accelerated by 5% as well as emerging economies with average growth of 2%. (UNWTO, 2017).

Following the worldwide growth trend, the Romanian tourism industry has experiencing for the past 10 years an upward growth and development, both in the quality and quantity of tourism infrastructure as well as its activity and economic impact and contribution to the Gross Domestic Product- GDP.

The strategic importance for economic recovery and sustainable growth placed tourism on the development agenda and growth strategies of many international organizations and national states. Among the international organizations that strongly advocate for the prioritization of tourism and its inclusion on global and national agendas is World Tourism Organization – UNWTO as well as European Commission for its member states. If UNWTO supports tourism mainly through global events, annual growth reports or strategic development papers aimed towards awareness raising, the European Commission employed along the development strategies and community policies a series

of financial instruments directed towards investment in tourism sector infrastructure and human capital.

The European Structural Funds or European Structural and Investment Funds dedicated for investment in tourism are financial instruments of the European Cohesion and European Agricultural Policy, and provided substantial funding for all EU Member States, including Romania, which has benefited of them since the pre-accesion period (Phare , SAPARD, etc).

The current article briefly presents the key findings of a more extensive research that analyses the economic impact and influence of European Structural Funds investments towards tourism development in SW Oltenia Region. The research methodology consisted mainly in the study of secondary data provided by national statistic reports, structural programme implementation reports and other secondary economic data available to date. The time phrame of the analysis includes data from 2007 till 2017, and excludes the investments funded by the current 2014 – 2020 programming period.

The hypotheses of the research is that investments in tourism funded by European Structural Funds had a great influence and strongly contributed to the development of tourism infrastructure and therefore to the tourism activity growth in South West Oltenia.

2. Tourism, a strategic sector for socio–economic development for local, national and worldwide level.

In a global competitive and permanently challenged economy, tourism is one of the development sectors with the highest socio-economic impact, relative constant growth and highest potential for inclusive growth, employment and environment sustainability. The world economy experiences in the past two decades a series of global economic crises that affected economies all over the world. Out of the economic sectors with growth potential, tourism was the only one that surpassed the global crises, being the least affected, and registering a constant growth rate that outperformed the general economic growth.

According to the latest annual report of the World Tourism Organization – UNWTO, 2017 continued the upward growing trend in tourism sector, registering 84 mil tourists more that the prieveious 2016, reaching a staggering 1.323 milion tourists worldwide. The geographic distribution of tourism around the globe is rather unbalanced, with Europe leading detached with 671 milion incoming tourists, representing 51% of the total global tourism followed by Asia – Pacific with 25 % (324 milion toursits), America on third place with 16% of the market share, Africa (5%) and Middle East with 4 %. Although placed on the last two position in the world tourism ranking, the African Continent and Middle East region performed best in 2017 as development rate, reaching between 6 and 7%, in comparison with Europe that peaked to 4.5 %. In what concerns the top tourism spenders, China ranks first with a staggering 258 billion dollars figure spent on tourism services worldwide. The second place is held by USA with almost half the amount spent by the top ranking country, Germany, UK and France filling the ranking (UNWTO, 2017).

Declared in 2015 by United Nation General Asembly as International Year for Sustainable Tourism Developmen (IY2017), in 2017 important steps were taken towards the achievement of 2030 Agenda for Sustainable Development and its 17 Strategic Development Goals. The activities launched in 2017 will serve as a roadmap for those regions, countries, global tourism community in general to include tourism on their strategic agenda and provide better support and financial assistance.

The strategic importance of tourism as a potential development tool for employment, environment protection and even peace and safety was acknowledged by the European Commission in its strategic documents, treaty articles and community development policies. The positive effects generated by the development of the tourism sector on employment and the development of

adjacent services (transport, communications, medical services, public catering, etc.) place this sector on the main strategic development agendas, planning documents and specific priority measures. Based on the specific legal framework governing the European Commission's action and its involvement in maintaining Europe as the world's first tourist destination, the "Communication from the Commission to the European Parliament, the Council, the European Social and Economic Committee and the Committee of the Regions - Europe, the world's No1 touristic destination - a new political framework for European tourism", an initiative that draws attention to new global challenges (climate change and resource shortages, fierce international competition, demographic changes and developments, and changing tourist preferences and claims) and launches a series of specific initiatives and measures to be undertaken by both the Member States and the main players representing the tourism sector. Only through active and concerted involvement can the sector strengthen and increase its competitiveness.

Romania meets the global trend and acknowledges the strategic importance that tourism plays for the socio-economic development, employment, environment protection and preservation.

The recognition of tourism as key tool for economic recovery is found in several national strategic documents (National Plan for Development 2007- 2013; National Strategic Reference Framework, Operational Programmes as well as Regional Development Strategies) issued by the Romanian National Government and its regional development organizations as a condition for accessing the available structural funds.

Placing the tourism sector along other strategic objectives was backed by the tourism potential generated by an extremely rich and varied portfolio of natural, cultural and historical resources, harmoniously distributed throughout its territory, a portfolio that allows the organization of a wide range of tourist services.

Despite the considerable development potential provided by the generous and varied resource and natural attractions endowment, our country's performance in generating economic efficiency and income from tourism is rather poor and is due to several reasons: the quality and diversity of the infrastructure (transport infrastructure, etc.), quality of services (training of human resources, diversity of services, etc.), national tourism policies, as well as the marketing and international online image of Romanian tourism both abroad as amongst our national tourists.

In what concerns the tourism infrastructure as well as transport one, the past decade brought along considerable investments in road infrastructure, airport modernization, number and quality of accommodation structures and entertainment facilities (swimming pools, adventure parks, aqua parks, etc).

The reach and beautiful natural portofolio together with a good, varied and comfortable infrastructure needs to be valorized and emphasised by high quality services, provided by qualified and motivated human resources. Unfortunately, Romania struggles with an acute crisis of qualified staff. The average income in tourism industry is the lowest from all economic sectors and provides little or no motivation for people to get trained and qualified for this sector. Not only does the sector lacks in highly specialised staff, but even worse, many companies face big challenges in finding any personell at all.

Although tourism was acknowledged by many strategic development documents and regional development plans, no concrete policy actions were taken untill late 2016 – 2017. The tourism investments made in the last decade did not follow a certain specific development strategy but rather resulted from a competitive procedure for accessing structural funds launched by different operational programmes (Regional Operational Programme and National Development Programme for Agriculture and Rural Development – being the ones with the highest fund allocation for tourism investments).

Some concrete policy measures to support tourism development and revitalize domestic tourism were legifareted in 2017 by the Emergency Ordinance 46/2017 amending and

supplementing Government Emergency Ordinance no. 8/2009 on the granting of holiday vouchers. According to this regulation, all public institutions will award their employees with holiday vouchers on yearly basis. The minimum value for such vouchers is equivalent to the minimum wage and is eligible only for tourism services within Romania. Such legislation is a positive measure for Romanian tourism with a direct impact both on the occupancy of tourism as well as the total income from this sector. A recent statistic made by National Association of Tourism Agencies (ANAT) estimates a total of over 175 million euros in tourism vouchers, issued for 2016 - 2018 (first 2 quarters), value that strongly impacts the statistics from tourism (Capital. 2018).

Another governmental measure with a potentially strong impact on domestic tourism is the adoption of Decision no. 558/2017 regarding the approval of the "Tourism Investment Development Program - Tourism Master Plan" and the eligibility criteria for tourism investment projects (HG 558/2017). The normative act establishes the list of 151 public investment projects in the tourism infrastructure, which will be financed from the Ministry of Tourism funds in the proportion of 70% to 100% (investments of national importance), a contribution that varies according to the level of importance.

Last but not least, Romania needs to work hard towards changing its negative image abroad. Mostly associated with a poor nation, inhabited by a population of romas, insecure and with a very bad infrastructure, many international tourists avoid coming to Romania due to a false image made solely by prejudices and stereotypes. Such false and negative image was hard to change as far as the national tourism authorities did very little in terms of efficient marketing and international promotion of our country and touristic offer. Not until recently, there was no official and/or professional website in English or any other international language that will present and promote Romania's beauties and touristic destinations.

The revolution of internet and development of web sites for tourism (<http://romaniatourism.com/>, www.booking.com, www.trivago.com, etc), organization of successful international festivals (Untold, Neversea, etc) or worldwide romanian top sportsmen/women have contributed for the past year towards the improvement of our country image abroad. Additional measures, such as a national marketing strategy, needs to be developed and efficiently implemented in order to continuously build a positive image for Romania and its touristic destinations.

3. Key statistical indicators for tourism development in SW Oltenia

Similar to the European and world trend, the evolution of tourism in Romania has outperformed the macroeconomic indicators of general economic growth, registering steady growth both in domestic tourism and international tourists in recent years. According to the European statistical data, the evolution of tourism in Romania (quantified by the number of nights spent by tourists in the classified accommodation) experienced a relatively steady increase of around 8-10% over the last 6 years (European Commission, Growth, 2016).

The positive upward evolution in tourism is found also at the level of South West Region Oltenia both in terms of infrastructure development as well as tourism activity performance.

In order to show the positive evolution of tourism in South West Region Oltenia I looked over the official statistics from county level for a time duration of 11 years, within the time frame of 2007 – 2017. The official data for the tourism indicators are collected and reported by the National Statistical Institute (INS) and meet the criteria set by the Satellite Account for Tourism.

Out of the numerous statistical indicators for tourism I chose to analyse only three: number of accommodation structures; number of accommodation places and number of arrivals, indicators which clearly illustrates the time evolution of tourism infrastructure and activity development.

In terms of development of touristic infrastructure, one relevant indicator is the number of tourism structures (hotels, motels, guest houses, villas, etc) build and officially registered (classified by the Tourism Ministry) over the years. In table one, based on the official data of the regional statistic

offices from each of the 5 counties, the evolution of tourism structures is illustrated for a duration of 11 years.

**TABLE 1- Tourism structures with accommodation functions -
-SW Oltenia Region**

| Counties | Years | | | | | | | | | | |
|--------------|--------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| | UM: Number of Structures | | | | | | | | | | |
| | Nr | Nr | Nr | Nr | Nr | Nr | Nr | Nr | Nr | Nr | Nr |
| Dolj | 26 | 22 | 24 | 27 | 47 | 49 | 51 | 52 | 52 | 57 | 71 |
| Gorj | 40 | 40 | 61 | 61 | 69 | 79 | 79 | 87 | 85 | 87 | 102 |
| Olt | 6 | 9 | 11 | 11 | 15 | 18 | 19 | 19 | 19 | 19 | 25 |
| Mehedinti | 19 | 19 | 30 | 27 | 35 | 42 | 42 | 45 | 55 | 59 | 71 |
| Valcea | 168 | 165 | 173 | 179 | 211 | 260 | 230 | 233 | 217 | 231 | 260 |
| TOTAL | 259 | 255 | 299 | 305 | 377 | 448 | 421 | 436 | 428 | 453 | 529 |

Source: Own work according to statistical date from INS

On regional level, over the past 11 years the number of tourism structures more than doubled. The positive growing rate is present also on county level although in a rather unbalanced distribution. The highest growth in relative terms (percentage) was registered by Olt County, with a growth of over 400% in 2017 relative to 2007. The lowest relative growth was registered by Valcea County with an increase of 154,7 %. Mehedinti County experienced also a considerable increase of over 373 %. The County that hosts the Capital City of the Region, Dolj, registered a growth of over 273%. The ranking of the 5 counties greatly differs if instead of the relative growth we analyze the absolute one. Vâlcea, the county that ranks last in terms of relative growth occupies the first position in terms of actual number tourism structures build over the last 11 years, with an increase of 92 and Olt region with ranks first in relative terms fills the last position in absolute numbers with an increase of just 19 new structures. The rather unbalanced geographical distribution of tourism facilities along the 5 Counties of the Region is correlated both with the economic development potential as well as the tourism portofolio of resources spread around the region. Olt County is the “poorest” in terms of natural, cultural and historic resources as well as ranks fourth in terms of contribution to the Gross Domestic Product. Vâlcea on the other side is the richest endowed county in terms of touristic destinations and natural reacheness – mineral springs placing the county on the top position in the Region.

A positive growing rate is recorded in terms of number of accommodation places, however the relative growth rate is considerably lower in comparison with the number of accommodation placements/ locations. If the number of locations more than doubled, at regional level, over the 11 years analyzed , the total relative increase barely reaches 40%. The explanation is rather simple and is generated by two main reasons:

- shutting down / closing many of the big accommodation locations (hotels) build in the communism ages and left to crumble due to inefficient administration as well as lack of funding for modernization;
- the newly build accommodation structures consisted in small and medium sized facilities, as far as the funding budgets were mainly private and therefore not so high in value.

As table 2 clearly shows, the increase of accommodation places was present in all Counties, without a constant or common yearly trend. If number of places decreased in 2008 for Dolj and Gorj, it slightly increased for Olt and Valcea. Therefore, the evolution of accommodation places (beds) fluctuated both on yearly bases as long as along the 5 Counties. Overall, the general trend of the region was a positive one that resulted as mentioned before, in a relative increase of almost 40 % in number of accommodation places (beds) for the entire region.

TABLE 2. Number of accommodation places within the tourism structures - SW Oltenia

| Accommodation Capacity | Years | | | | | | | | | | |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| | UM: Places | | | | | | | | | | |
| | Places | Places | Places | Places | Places | Places | Places | Places | Places | Places | Places |
| Dolj | 1450 | 1290 | 1400 | 1646 | 2242 | 2259 | 2125 | 2191 | 2246 | 2448 | 2894 |
| Gorj | 1439 | 1357 | 1967 | 1974 | 2255 | 2509 | 2521 | 2810 | 2755 | 2834 | 3182 |
| Olt | 498 | 507 | 568 | 547 | 664 | 867 | 874 | 869 | 860 | 837 | 1016 |
| Valcea | 10556 | 10596 | 10877 | 10719 | 11526 | 12540 | 11158 | 11141 | 10842 | 10897 | 11593 |
| TOTAL | 13943 | 13750 | 14812 | 14886 | 16687 | 18175 | 16678 | 17011 | 16703 | 17016 | 18685 |

Source: Own work according to statistical date from INS

A more updated and comprehensive statistic in terms of tourism infrastructure: both in terms of quantity (number of tourism structures and accommodation places) as well as in terms of quality (comfort level) and types of structures (hotels, motels, guest houses, etc) is being provided by the Ministry of Tourism in its monthly updated lists of accredited tourism structures.

As it can be seen from table nr 3, there are considerable differences between these datas and the official ones from the National Statistic Institute (INS). For example, the total number of tourism structures in SW Oltenia reported by INS in its last report was 529 while the Tourism Ministry reports 844. A considerable difference is found also on the number of accommodation placements that vary from 18685 to 26725. Among the reasons that justify the differences of data are:

- INS data are as “new” as July 2017 while those from the Ministry are monthly updated;
- INS statistic do not include tourism structures that have less than 5 accomodation places, excluding in such conditions tourism structures such as: apartments, villas, guest houses and agrotourism pensions with less than 5 places;
- INS statistic does not update its research database as soon as new tourism structures receive official classification certificates (accreditation) from the Tourism Ministry;
- The methodology for collecting data for tourism statistics lacks efficiency and sometimes coherence. INS collects data exclusively from the reports of tourism structures’ administrators, lacking instruments that can verify / check the reality;

**Table 3. Tourism structures with accommodation functions -
-SW Oltenia Region**

| County | Official Classified Tourism Structures | | | | Total Tourism Structures | Total Accommodation Placements |
|-------------------------|----------------------------------------|--------------------|------------------------|-----------------------------|--------------------------|--------------------------------|
| | Hotels | Hostels/ Motels | Guest Houses/ Vilas | Other (Appartments, etc) | | |
| Gorj | 17 | 17 | 149 | 41 | 224 | 4747 |
| Dolj | 36 | 12 | 35 | 13 | 98 | 4103 |
| Mehedinți | 13 | 12 | 66 | 18 | 109 | 2786 |
| Vâlcea | 47 | 22 | 235 | 65 | 369 | 13678 |
| Olt | 11 | 8 | 19 | 6 | 44 | 1411 |
| TOTAL SW Oltenia | 124 | 71 | 504 | 143 | 844 | 26725 |

Source: Own work based on the Information provided by Ministry of Tourism 2018. Clasified Accomodation Structures – updated on 03.09.2018

Another positive evolution in terms of tourism infrastructure can be observed in terms of the quality of the existing tourism structures. If 20 years ago 1 and 2 stars hotels represented the majority of the accommodation placements, the current situation provides a much higher comfort level for tourists with over 65% of tourism structures of 3 stars and more. The number of 5 stars

accommodation facilities is extremely low, out of the total of 844 units only 5 (less than 0,6 %) structures being classified with the highest comfort ranking.

Table 4. Distribution of tourism structures with accommodation functions according to their comfort level - SW Oltenia

| County | Comfort Rate | | | | |
|-------------------------|--------------|-----------|------------|------------|-----------|
| | 5 Stars | 4 Stars | 3 Stars | 2 Stars | 1 Star |
| Gorj | 0 | 17 | 138 | 63 | 6 |
| Dolj | 1 | 22 | 50 | 22 | 3 |
| Mehedinți | 0 | 11 | 69 | 25 | 4 |
| Vâlcea | 3 | 33 | 176 | 138 | 19 |
| Olt | 1 | 4 | 24 | 13 | 2 |
| TOTAL SW Oltenia | 5 | 87 | 457 | 261 | 34 |

Source: Own work based on the Information provided by Ministry of Tourism 2018.
Classified Accommodation Structures – updated on 03.09.2018

It is without doubt that the quantity and quality of tourism infrastructure in SW Oltenia Region experienced a substantial upward development, reflected both in the number and variety of tourism structures as well as in their level of comfort.

In order to analyse the evolution of the tourism activity, I chose to look at the number of tourist's arrivals both at regional level as well as on each county for a period of 11 years, starting with 2007. As table 5 shows, the evolution of tourism activity registered a considerable growth along all 11 years, exception being the two years that marked the global economic crises: 2009 – 2010. Following this period, the number of arrivals increased from 2010 till 2014 with rates that varied from 2% (2013) up to a maximum of 26,6% in 2011 and 16.8% in 2017.

Table 5. Arrivals of tourists in accommodation facilities with tourist accommodation functions

| County | Years | | | | | | | | | | |
|------------|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| | UM: Number of Persons | | | | | | | | | | |
| | UM | UM | UM | UM | UM | UM | UM | UM | UM | UM | UM |
| DJ | 56684 | 57279 | 33529 | 28762 | 58538 | 83024 | 85847 | 91150 | 102486 | 97139 | 124861 |
| GJ | 58058 | 63190 | 59062 | 54967 | 63832 | 74622 | 75125 | 77831 | 78418 | 84273 | 111000 |
| OT | 16461 | 17538 | 13924 | 14167 | 23700 | 36383 | 35678 | 34824 | 33343 | 35177 | 39085 |
| MH | 48542 | 57551 | 54126 | 54942 | 54778 | 53684 | 52323 | 51818 | 81003 | 91405 | 104089 |
| VL | 223326 | 233812 | 205473 | 184264 | 225997 | 206963 | 211053 | 229237 | 286892 | 322452 | 357423 |
| TOT | 403071 | 429370 | 366114 | 337102 | 426845 | 454676 | 460026 | 484860 | 582142 | 630446 | 736458 |

Source: Own work according to statistical data from INS

The touristic activity followed a similar growing path, being correlated with the infrastructure development and financial support from the European Structural Funds. In the following section I shall present the actual investments made in the tourism sector from SW Oltenia region with the support of European Structural Funds.

4. Financial allocation of European Structural Funds for tourism investment in South West Oltenia Region

Being the world number one touristic destination, Europe acknowledged the importance of tourism investment and strategic development for a sustainable and smart growth. European Commission, as the leading legislative community body worked hard towards the development of different community policies that will support and finance the tourism sector. The most relevant financial instruments that funds investments in tourism sectors are

European Regional Development Fund (Cohesion Policy) and European Fund for Agriculture and Rural Development (Agricultural Policy). Of course that other financial instruments (Cohesion Fund, European Social Fund, etc) are available and eligible for tourism related investments (such as European Social Fund which covers many human resource development projects in tourism industry), however their value is not as high as the two major financial instruments mentioned and included in the following analysis.

The analysis includes only investments in physical infrastructure form SW Oltenia, and the results are presented in the following tables.

Table 6 illustrates the total investments made in SW Region under European Agricultural Policy – the pre-accesion SAPARD programme. All 60 projects that got financing in SW Region were implemented in the rural areas and consisted in great majority in rural guesthouses. As it can be easily seen, there is a very unbalanced geographical distribution between the projects, with over 20 investments in Gorj or Valcea County and only one in Olt.

Table 6. Investment in tourism through the SAPARD program. SW Oltenia

| County | Number of Projects (in Tourism) | Value (euro) |
|--------------|---------------------------------|---------------------|
| DOLJ | 6 | 496.576,87 |
| GORJ | 24 | 2.132.462,52 |
| MEHEDINTI | 6 | 448.614,05 |
| OLT | 1 | 98.412,80 |
| VALCEA | 23 | 1.796.017,86 |
| TOTAL | 60 | 4.972.084,10 |

Source: Own work from the data collected from the SAPARD Selection Reports

A similar disproportionate distribution in number of investments is reflected by the 2007 – 2013 financing period, European Agricultural Fund for Rural Development, where Gorj County tops the list with 57 projects while Olt is again on the last position with just 8 projects.

Table 7. Investments in tourist accommodation infrastructure. SW Oltenia. EAFRD - Measure 313

| County | Guest Houses and Agro Rural Pensions | Non refundable amount (ron) | Total Value (Ron) |
|--------------|--------------------------------------|-----------------------------|-----------------------|
| DOLJ | 29 | 19.498.043 | 36.076.374 |
| GORJ | 57 | 38.761.507 | 72.364.384 |
| MEHEDINTI | 39 | 28.753.586 | 56.199.383 |
| OLT | 8 | 4.609.635 | 10.968.460 |
| VALCEA | 21 | 12.942.416 | 23.438.583 |
| TOTAL | 154 | 104.565.186,55 | 199.047.183,95 |

Source: Own work from the data collected from the AFIR Selection Reports

Table 8 and 9 provides information on other tourism infrastructure projects, financed also by EAFRD, which are not included in the official tourism statistics but adds to the variety and diversity of tourism infrastructure, especially the entertainment and information one. For example, 42 recreational projects such as swimming pools, sport centres or fitness facilities were funded in the region along with 15 public information centres for tourists, managed by local administration.

Table 8. Investments in recreation infrastructure. SW Oltenia.
EAFRD - Measure 313

| County | Recreation | Non refundable amount (ron) | Total Value (Ron) |
|--------------|------------|-----------------------------|----------------------|
| DOLJ | 16 | 12.402.856 | 16.130.905 |
| GORJ | 13 | 10.481.590 | 12.331.293 |
| MEHEDINTI | 10 | 6.288.770 | 8.253.745 |
| OLT | | | |
| VALCEA | 3 | 2.335.437 | 2.747.575 |
| TOTAL | 42 | 31.508.653,33 | 39.463.517,27 |

Source: Own work from the data collected from the AFIR Selection Reports

Table 8. Public Investments in tourism promotion infrastructure. SW Oltenia.
EAFRD - Measure 313

| County | Investitii Publice | Non refundable amount (ron) | Total Value (Ron) |
|--------------|--------------------|-----------------------------|----------------------|
| DOLJ | | | |
| GORJ | 5 | 3.911.543 | 3.911.543 |
| MEHEDINTI | 7 | 4.926.006 | 4.926.006 |
| OLT | | | |
| VALCEA | 3 | 1.850.162 | 1.850.162 |
| TOTAL | 15 | 10.687.711,45 | 10.687.711,45 |

Source: Own work from the selection reports published on the AFIR website

Despite the geographical distribution of funding, which is greatly associated with the economic development level and touristic potential of each county, a total of over 200 guest houses and Rural Pensions were built with the financial support of EAFRD. It is therefore without any doubt that the development of the tourism infrastructure in the past 11 years (as shown in the previous section) was greatly influenced by the financial support provided to Romania as EU member state.

The tourism infrastructure investments from rural areas have been complemented by majour urban investments into cultural preservation and big tourism infrastructure (hotels). According to table 9, a number of 67 majour investment projects enreached the regions tourism infrastructure with facilities that value more than 422.849.830 Ron.

Table 9. Investments in tourism infrastructure under the Regional Operational Programme 2007 - 2013 program – SW Oltenia

| Financing Programme | Measure | County | Nr of Projects | Total Value (Ron) | % | Financing (value) |
|--------------------------------------------|----------------|--------|----------------|-------------------|------------|-------------------|
| Regional Operational Programme - POR – Olt | 4.3 + 5.1 +5.2 | | 7 | 82494969 | 11 | 37762136 |
| Regional Operational Programme - POR – Mh | 4.3 + 5.1 +5.2 | | 4 | 120110117 | 17 | 90729968 |
| Regional Operational Programme - POR – Dj | 4.3 + 5.1 +5.2 | | 15 | 301509476 | 42 | 170559476 |
| Regional Operational Programme - POR – Vl | 4.3 + 5.1 +5.2 | | 31 | 201833772 | 28 | 114612820 |
| Regional Operational Programme - POR – Gj | 4.3 + 5.1 +5.2 | | 10 | 20521977 | 3 | 9185429 |
| TOTAL INVESTMENTS POR - | | | 67 | 726470311 | 100 | 422849830 |

With over 330 projects of tourism infrastructure financed and a total value of more than 165 million euros invested, it is more than certain to say that European Structural Funds had a great impact on tourism development, both in the quality and quantity of infrastructure as well as in the positive and constant growing tourism activity of SW region. Without the financial support of these instruments, the tourism infrastructure would have experienced little or no revival, keeping the comfort level at a low rate, failing for sure to valorize the reach touristic potential of the region.

5. Conclusions

Tourism sector represents a strategic development area for most countries, generating huge impact on economic development, employment, safety, security and environmental sustainability. Being endowed with rich and diverse natural, cultural and historic resources does not guarantee success in tourism economic valorization. Romania is unfortunately one of the negative examples, where a rich tourism potential is not met and valorized accordingly.

In order to get the most benefits from the portfolio of resources, Romania needs to invest further in tourism infrastructure, to get involved in development of effective policy measures for tourism support, revive the professional education system in tourism and develop quality standards, work to improve and market a positive image abroad as well as encourage the public – private partnership in tourism industry.

In the last decade, the South West Region experienced considerable infrastructure development, characterised both in terms of quantity (by doubling the number of tourism structures) as well as quality (comfort and variety of tourism structures), development that was greatly associated with the European Structural Funds investments.

The economic impact of tourism activities is however higher than the one depicted by the official statistics, among the reasons that lead to such conclusion being:

- The considerable difference between the actual number of classified tourism structures and accommodation places (beds) reported by the Ministry of Tourism and the ones evaluated by INS, which leaves outside statistics numbers that can be of great influence in terms of economic indicators
- The “fiscal evasion” of tourism operators, which do not report the true number of tourists arrivals, the duration of stay and the amounts spent
- The existence on the tourism markets of many unclassified accommodation places (private apartments/ houses) that are rented during high seasons (especially on seaside) and are nowhere reported
- The deficiencies of the INS data collecting methodology. As mentioned, the regional offices collect their data exclusively from the reports given by the registered tourism structure, reports which are never checked or verified with the reality.

In an increasingly vulnerable, fluctuating and competitive global context, Romania tourism development stands as a strategic objective that can lead to socio-economic development and inter-regional cohesion. The development and expansion of transport infrastructure, the quantitative and qualitative increase of accommodation and leisure infrastructure should be further supported through both funding programs and, in particular, through national policies and effective measures to encourage domestic consumption, change Romania’s image and above all to increase the quality of services by supporting professional education, developing and applying quality standards in the field and motivating tourism employees.

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