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# TOURISM AND LOCAL DEVELOPMENT

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This topic is largely debated, and also very interesting, because of many and various reasons. The paper aim is to demonstrate the role played by tourism business in local development. We wish to show the benefits brought by multiplication effect, as well as the synergy resulted by stakeholder cooperation, when the same resources would be use into other sectors.

Key words: local development, tourism programe, multiplier effect, synergy result, stakeholder, community benefit.

## INTRODUCTION

Tourism can be a force for the local development. As a sector in full expansion, it boosts traditional economic activities and exploits local cultural specialties to good effect, whilst providing employment opportunities for local young people, thus curbing the rural exodus.

However, tourism is not a panacea for all development problems and besides not all areas are suited to it. It would be wrong to view this sector as the only possible alternative to agriculture or some other local economic activity in difficulty.

Only a full evaluation, taking account of supply, demand, competition and market trends, can confirm whether a territory really has a tourism development potential which justifies investment.

Studies the social characteristics shows up the cultural identity of the places that makes part of local development. It is meant to understand everyday the social references assuming the transformations that had occurred in the social and economical defining of time and space, influenced by the tourism activities. The society transformations highlight by education, the new knowledge makes the tourism the element that values the social benefits of tourist interests that establishes the local development.

The discusses opportunity of adopting a new perspective in finding a solution for the social demand which has the possibility of creating great conditions for the innovation, to the development of the endogenous nature. Defends the need of adopting resources considering cultural characteristics, in the local development plans, wanting with this, maximization of investments that brings general consume.

## 1. TOURISM AND ITS EFFECT ON LOCAL DEVELOPMENT

The tourism industry generates substantial economic benefits to the both sides: host countries and tourists' home countries. Especially in developing countries, one of the primary motivations for a region to promote itself as a tourism destination is the expected economic improvement.

Tourism can be a significant, even essential, part of the local economy. As the environment is a basic component of the tourism industry's assets, tourism revenues are often used to measure the economic value of protected areas.

Nowadays expansion of international tourism has led to significant employment creation. Tourism can generate jobs[1] directly through hotels, restaurants, nightclubs, taxis, and souvenir sales, and indirectly through the supply of goods and services needed by tourism-related businesses.

Also tourism can induce the local government to make infrastructure improvements such as better water and sewage systems, roads, electricity, telephone and public transport networks, all of which can improve the quality of life for residents as well as facilitate tourism.

Some local revenues that are not easily quantified, as not all tourist expenditures are formally registered in the macro-economic statistics. Money is earned from tourism through informal employment such as street vendors, informal guides, rickshaw drivers, etc. The positive side of informal or unreported employment is that the money is returned to the local economy, and has a great multiplier effect as it is spent over and over again.

Communities are continuously searching ways to increase their standard of living, and tourism is one method to help achieving that goal. There are three main components to consider when develop tourism opportunities, these include: economic, social, and environmental impact. All three are interrelated each other and would be viewed as one joint system.

Tourists are in all places. All year long, people travel to new places and engage in new activities, or go back to preferred area for fun and relaxation.

At the present time people are also obtain more income and also leisure time, as a consequence result wider interests and an increased desire to travel. They travel more and more, all the time looking for new destinations to visit.

[1] According to the WTO tourism supports some 7% of the world's workers. see: site www.world-tourism.org

Every community can attract tourists, but some have more potential than others due to famous attractions or proximity to a well known destinations or events.

Several factors need to be evaluated when community leaders design their action plan for local development. These factors include government regulations, land use, transportation, education, public administration, utilities, fire and police protection, labour, commercial and industrial activity.

## 2. STAKEHOLDERS AND THEIR IMPLICATION IN LOCAL DEVELOPMENT

Starting creating and implementing a local development strategy it is very important to ensure that all stakeholders, from civil society to government agencies and local planning authorities, are involved in the development and implementation of tourism into general action.

Within this we consider that is very important to identify and resolve any potential or specific conflicts between tourism and other activities at the very beginning. Involve all relevant stakeholders in the development of management plans, for these must be provide organization, facilities and enforcement capacity that is required for an effective implementation of the action plan. In this respect it is profitable if there are enabled various stakeholders in the tourism industry and local communities, organizations and institutions to work alongside each other and meet the ways in which different interests can harmonize each other within a balanced program for local development.

This can ensure long-term commitments and improvements to develop and promote tourism, through partnerships and voluntary initiatives by all sectors and stakeholders, including initiatives to give local communities a share in the ownership and benefits of tourism.

From the beginning must be establish clear responsibilities, boundaries and agenda for gaining the success.

Involve all primary stakeholders in the development and implementation of tourism plans, in order to enhance their success. General practice shows that those projects are most successful when all main stakeholders are involved and is rise as a result of the synergy of stakeholders actions.

## 3. TOURISM AND BENEFIT OF THE COMMUNITY

Each community can accept changes to a certain limit without excessively altering the quality of life in the community. These limits can vary from community to community, are influence by attitudes of local residents and must not exceed the limits which adversely affect the quality of community life.

The SWOT analysis is the starting point for identifying and prioritizing the actions to be taken. Its conclusions are the basis in setting the objectives of the action plan that will focus and guide the tourism development work relative to each of the three task force topics. Deadlines and persons responsible for progress for activities should be identified for each objective. Plans should be enough detailed offer the possibility to monitor the progress and to determine where resources must be allocated.

Resources for reaching the objectives should be identified. For the large projects (i.e., improving or constructing a road), financial resources should be identified, and the working group should include this information in the action plan along with tasks such as lobby public authorities or develop project proposals. For improving the infrastructure, it is necessary to establish a relationship with the county council because it may have potential responsibility and financial resources.

Action plans should span a two or three year period. If the working group plans for a shorter period of time, the actions may not have a visible impact.

It is important to keep in mind that the infrastructure project or other activity should have an impact on visitors through increased number of tourists, longer period of stay in the area, or increased levels of visitor satisfaction.

One of the most important element of tourism good marketing is to know as much as possible about the visitors and tourists to the site. Who are the groups or persons that are most likely to visit the community or destination? What potential visitors match the best offerings of your community or area? It is important to know what the best potential assets are in each community and to also know those areas that need to be enhanced in order to reach additional numbers of visitors. With this information, it is then possible to design a marketing program to match the assets with a relevant market niche. In the initial stages of development, it may not be a successful strategy to seek visitors with high incomes if your market cannot meet the four and five star expectations of this income group. Modest strategies may be more fruitful. While international visitors may bring higher economic yields, it costs more to reach them. There may be better opportunities within Romania, which are more cost effective to reach and still make a positive contribution to the economy.

Other important element in a marketing community is servicing the tourist in a high quality manner, whether the goal is group or individual business. Collateral material will be necessary as well as a trained staff to personally interact with the customer.

Like any business or industry, tourism needs the moral and financial support of the entire community. Although certain businesses, such as motels, resorts, gift shops, retail stores, attractions, service stations, and places of entertainment receive the direct bulk of the tourist money, other businesses benefit too.

The attitude of the community's residents is an important feature of tourism development. It is clear that a hostile or an indifferent community does not attract visitors. Tourists want to be treated well during their stay. Members of a community may try to resist any local developments, or may only see the negative, rather than the positive side of tourism. You must make certain that community residents are well informed as to the economic, social, and environmental enrichment benefits of tourism before you begin development. Residents should have the opportunity to make rational decisions to support such community development.

The tourist helps pay real estate, business, and income taxes because these are paid by business firms from customer revenues, and thus the tourists become major tax contributors.

By time, through tourism development, the community becomes more attractive and more prosperous. Visitors who enjoy and appreciate a community are likely to spend money, recommend it to friends, and come back again.

Visitors are also potential investors in a community. A visitor who likes a community may choose to relocate there a business, purchase a property in the community, or even to move for have permanent residence there.

Tourism often makes services available to residents that the community could not otherwise support. Activities that local citizens can enjoy which are heavily promoted by tourist spending include a lot of facilities, cultural offers, good restaurants, and increased shopping selections. In considering the costs of tourism to the community it may be identify all the facilities provided, at the same time the services performed by public agencies for the community and may estimate how they are affected by tourism.

Operational costs arise at once if the tourism programs grow into a community. These costs include promotional costs, commissions and association costs, study costs for feasibility, impact studies and office costs. We mean the needed resources -office space, supplies and human resources.

The development and maintenance of tourism programs puts demands on public services and imposes costs on local residents. These demands and costs are not without benefit to local residents, but careful assessment of the costs and benefits should take place before making development decisions.

## 4. SOME ROMANIAN FACTS AND FIGURES

The tourism industry in Romania is a $600 million-dollar per year industry expected to grow by 4.3 % over the next 5 years. Romania offers a wide range of tourism products from cultural visits to key historical sites to beach vacations on the Black Sea.

The Romanian tourism sector experienced a drastic decline due to a dramatic drop in the purchasing power of tourists from the socialist countries and the lifting of restrictions on travel outside the eastern countries. Suddenly Romania was forced to compete with tourism destinations outside the Eastern bloc. Romania quickly became a net importer of tourism services. In 1998, the number of arrivals to Romania for rest, leisure and holiday purposes was about 2.784 million, while the number of departures for the same purposes was 6.129 million. Consequently, Romania faced:

- 14 % fall in total number of beds in hotels and accommodation facilities, from 328,000 in 1990 to 283,000 in 1999;
- the accommodation occupancy rate fall from 57.8 % to 34.5 %;
- A reduction in the length of stays in accommodation by 61 % for Romanian tourists;
- A reduction in the length of stays in accommodation by 53 % for foreign tourists;
- 20 % decline in the number of foreign tourists arriving.

Romania lost valuable market share in traditional high yield markets such as Germany to competitors like Turkey, which offers a higher quality to price ratio. In 2002, only 7.5 % of tourists were from Germany. Over 41 % of foreign tourists visiting Romania were from the neighbouring countries of Hungary and the Republic of Moldova.

In general, Romania does not currently offer the same level of quality at a price that is comparable to Turkey, Greece, or Morocco, all of which are popular tourist destinations for Europeans. In spite of this, Romania does offer a rich palette of attractive regional, specialized tourist destinations such as the Prahova Valley for skiing and snowboarding, the Danube Delta for its ecology, the world-famous painted monasteries in Bucovina and Moldavia. The well known vampire Dracula is an exciting attraction, beside medieval towns in Transylvania, traditional villages in Maramures. Natural resources as wonderful Carpathian Mountains, a lot of spas and much more. For various reasons, tourism is an attractive sector for development in Romania since it can positively affect the areas and related industries such as wine. We consider if the tourism is better developed, it can improve the country's image outside of the country.

Communities wanting to develop tourism must visibly improve their image and develop pride through efforts, such as spruce-up campaigns. Romanian local communities with tourism potential and desire to increase their advantage can benefit economically and environmentally if they act on this direction. New jobs can be created with lower infrastructure costs and smaller start-up costs than industrial jobs. Just one person and a van can form a small business.

One of the most effective cost components of a good marketing program is an Internet site. Increasingly customers are using the Internet to plan and book their visits. Many marketing organizations make it possible to book hotel and other services on line through their Internet site. A community Internet site also provides valuable data about the potential customer that can be factored into the marketing plan.

Many communities have visitor centres, physical facilities that are located centrally and provide on location services to visitors.

Other services can include destination collateral material at visitor kiosks in hotels, attractions, restaurants, and other governmental and business areas. The Romanian tourism division is experimenting with electronic kiosks to be tested in various communities.

A marketing organization can expect to receive direct inquiries from potential customers for information, collateral material, and visitor guides. These requests should be answered in a prompt manner. Standards should be established for responses, and staff should be trained to meet the standards.

## 5. FINANCING

To gain completely success every local tourism development program will need a sustainable and long term source of funding. A variety of potential financial resources are available within Romania.

Under Romanian law, municipal and commune governments may levy a bed tax of 0.5 to 5.0 % of the daily room rate for guests in classified hotels. This legislation became effective on January I, 2003.

Several exclusions in the current legislation make the bed tax difficult to use as the primary source for the financing of a marketing program. The rule applies only to classified hotels. Excluded are motels, pensions, small properties, agro-tourist pensions, villas, chalets, camping sites, "little wood houses," and boat hotels. The eliminations could limit the coverage to about 50 % of the lodging properties in some communities. Counties are excluded in the current law from charge the tax. This law

makes it difficult to organize a regional marketing effort or to aggregate sufficient financial resources to generate a minimum level of funding.

There are further exclusions from the tax for all young under 18 years age, military on duty, retired citizens, and handicap persons.

Because the law is new, very few eligible local governments levy any portion of the optional bed tax. Of those local governments now using the tax, there is wide variation in how the rate is applied. For example, the City of Bucharest charges a 3 % local bed tax only on the first night of the stay. On the other hand for example: Sibiu charges 5 % bed tax on each day of the stay, and the other city from Moldavia -Piatra Neamt charges only 1 % bed tax on the first night of stay.

Since current Romanian law does not authorize counties to use the bed tax, a combination of strategies will have to be pursued to generate sufficient financing for a sustained marketing program.

Membership fees are commonly used by tourism promotion and marketing organizations. A successful marketing agency should demonstrate significant results for those businesses depending on tourism for major economic benefit. Therefore, they are willing to pay membership fees to gain these benefits. Criteria to be considered for membership fees could include:

- Hotels and lodging properties based on the number of beds or rooms, or a %age of gross annual revenue;
- Restaurants based on the number of seats or a gross revenue factor;
- Tour operators, printing companies, advertising agencies, banks, and others could have a flat, minimum fee applied.

Other possible source of funding is the county government. The Suceava County government was one of the founders of the tourism program in that county. The county is funding a full-time staff person in the tourism development association.

Sources of donor funding should be explored, both within Romania and outside, such as the European Union. Frequently the marketing organization will have to be incorporated as a non-profit, or affiliate with one, as a condition of eligibility for donor grant funding.

The Romanian Ministry of Transportation, Construction and Tourism Matching Programs will provide up to 50 % matching grants for the cost of translating materials such as a visitors guide into foreign languages. The only additional criteria for these grants are the copies have to be distributed free of charge to the consumer. The ministry also has a development program in which it is funding 14 programs in the period of 2001-2004 to encourage tourists to travel to the Black Sea Coast, the Danube Delta, the Romanian spas, the Carpathian Mountains. Additionally each program must have its own budget and marketing plan.

Communities can take advantage of several current partnership and cost sharing opportunities with the ministry including translating promotional brochures into additional foreign languages, participating in national and international trade shows, connecting to electronic kiosks, distributing marketing materials in overseas tourism offices, and other cooperative marketing opportunities.

## CONCLUSION

Often we categorized or stereotyped the tourists, but also we are inclined to think of tourists as special kinds of people. In fact, tourists are normal people away from home. We need to think of tourist as guests and visitors.

Local communities which best prepare for tourists will benefit most. Good advance planning will maximize benefits while minimizing costs associated with a community's tourism industry.

Tourism offers a wide range of opportunities for local communities. Through good planning, each community can explore the advantages and disadvantages consequent from local development through tourism programs. They can implement the things that are right for own situation, and evaluate the impacts. Tourism development may not solve all the problems of the community, but it can provide jobs, diversify the local economy, and improve the quality of life. At the present time there are several good practice models.

Tourism development, when is based on local culture, environment, and heritage, will complement other local attributes.

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