

## GLOBALIZATION AND TOURISM. CASE STUDY - ROMANIA

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### **Abstract**

*The term globalization is one that is increasingly used in all areas. But studies show that when it comes to tourism, globalization is the element that has most influenced the development of this sector. Through tourism, there is the possibility of recreation, sports, rehabilitation, business, religious, scientific and intellectual: new experiences, perceptions and knowledge. In this way, modern tourism becomes a mass tourist. In this paper we intend to analyze how globalization, the advantages offered by it have influenced the arrivals and departures of tourists in Romania, but also beyond its borders, in the period 2014-2018. The research methodology was based on the study of the bibliographic sources and on the use of the information provided by the statistical data, data that have been processed, analyzed and interpreted in order to highlight the way tourism has evolved during these years.*

**Key words:** globalization, tourisme, economic development

### **INTRODUCTION**

In the tourism sector, the phenomenon of globalization has caused many changes such as: organizing the logistics necessary for transport on regional or even global structures, defining international rules of conduct, developing and specializing different forms of tourism, turning some areas into a tourist destination only after the penetration of some structures global tourism professionals in that region [3].

Globalization in the tourism industry has been influenced by the development of technology because simplifying travel, increasing its security has helped to increase the number of tourists both in domestic and international tourism and has also contributed to the unification of tourism services and improving their quality. Another important element favored by globalization is e-commerce that the travel industry changes the structure of distribution and distribution of tourism products, eliminating the existence of distribution networks such as tour operators, travel agencies, etc.

Also, the standardization of tourism products and services are elements that favor the use of

global marketing and the promotion of tourist destinations [3]. Moreover, globalization has led to the application of unified rules and standards for the purpose of serving tourists, as well as to the development of tourism infrastructure. Increased demand for tourism has helped to increase competition in this sector and to the emergence of international players in the tourism and hotel industry that use the latest technology in the hotel booking system, using the fastest and most comfortable means of transport, in the sale of tourist packages, which ultimately leads to the globalization of tourism and the integrated development of each country participating in this process. In the global economy, tourism contributes to the accumulation, movement and concentration of capital, important elements for economic development.

However, globalization also has many disadvantages, the most important of which are: the strategic nature that implies the impact on the future of civilization; the conditionality of factors that are difficult to control, such as technical, economic, social, natural ones; the amplitude that refers to most of the planet's population; urgency, which refers to the need to take rapid action on

hunger, refugees, environmental protection, demography, etc.; the close interconnection of certain areas, solving demographic problems can lead to the reduction of hunger, the use of modern technologies can contribute to solving the problems of health or environmental protection, etc.

And yet, globalization and associated technological change will transform our lives with unprecedented speed [8].

Tourism influences both the trade balance and the balance of payments of a country. It can generate both imports and exports. Receiving tourism generating revenue from non-residents visiting the country has a positive effect on the two types of balance, while emitting tourism, which generates spending by residents visiting other countries, has a negative effect on these balances. But receiving tourism can also generate a series of imports that are reflected in spending by travel agencies for goods purchases outside the country to be used in domestic tourism. Emitting tourism can also generate revenue-generating exports, such as income earned by the home country from the sale of goods used in tourism by other countries.

Tourism has both direct and indirect effects on a country's economy. Thus, the direct effects are represented by the creation of new jobs, which will increase the income of the population, increase the social contributions to the state budget, increase the revenues of the tourism organizations, as well as for other categories of traders. Indirect effects are cascade revenue generated by tourism activities.

Some specialists consider tourism to be a saving solution designed to support the economic development of a country and implicitly increase its standard of living [2]. Other authors show this is a mistake, because a "healthy" economy can not only depend on an economic sector. Countries that depend exclusively on tourism are considered fragile environments because any external event that negatively affects tourism can have devastating effects on them. Often, the short-term impact can be positive and long-term negative. At other times, although the impact

is positive at first, a deeper analysis shows that things are not so, for example, even if tourism leads to new jobs, most of the time it is about labor seasonal and poorly paid [5].

However, tourism remains an important activity in the economies of countries around the world, and this can be demonstrated on the basis of figures derived from published statistical data. The present paper aims to analyze how tourism activities can influence the economic development of Romania

## MATERIALS AND METHODS

The methods of scientific research were represented by the bibliographic synthesis for the theoretical foundation of the work, and for the case study, we collected data from the specialized institutions, reports and statistics, their processing, comparative analysis and their interpretation. All these have been used to demonstrate the role that tourism has in creating revenues and economic development of Romania.

## RESULTS AND DISCUSSIONS

Analyzing the situation of arrivals and departures in Romania we find that arrivals of foreign visitors to Romania increased during the analyzed period.

Thus, over 8 million visitors in 2014 reached almost 12 million visitors in 2018. Taking the base year 2014, the increase in the number of foreign tourists visiting Romania was 10.5% in 2015, 21.1% in 2016, 50.5% in 2017 and 38.8% in 2018.

This is precisely because of the phenomenon of globalization, the fact that Romania has been promoted and the confidence in making the trips performed in our country has increased.

The same thing happened regarding the departure of Romanian tourists abroad. With the increase in income, the Romans began to allocate higher amounts to vacations. So if in 2014 the number of departures was about 12 million, in 2018 it was over 21 million. Taking the basis for 2014, we find that the number of foreign arrivals increased by 6.6%

in 2015, by 31.1% in 2016, by 62.1% in 2017 and by 71.1% in 2018.

Table 1. Arrivals of foreign visitors in Romania and departures of Romanian visitors abroad (Number)

	2014	2015	2016	2017	2018
Total arrivals	8,441,603	9,331,056	10,222,889	12,706,133	11,720,425
Total departures	12,298,995	13,118,077	16,127,997	19,939,664	21,038,806

Source: own processing, Romania's Tourism Roundup.

With the increase in the number of tourists, we also tracked their distribution according to the reason for the trip, finding that all three travel motives had the same trajectory, ie a relatively constant evolution in the analyzed period, with a decrease of 10% in 2016 as compared to 2014 and recording 8% fewer halts this year compared to 2018.

The decrease in 2016 was 10% compared to 2014 and 13% for holiday travel, with other motivations such as treatment or pilgrimage and 1% motivating business. Compared to the previous year, however, the decrease in the number of nights for business tourism was 18% (Table 2).

Table 2. Overnight stays, by main reason of the trip

	2014	2015	2016	2017	2018
Total - of which:	75,075,604	76,277,379	67,651,428	73,520,974	7,3876,673
Holidays	65,862,170	65,187,368	59,338,558	63,695,620	64,465,302
Business and professional reasons	2,438,458	2,969,407	2,422,994	2,972,714	2,591,477
Other reasons (treatment, pilgrimage)	6,774,976	8,120,604	5,889,876	6,852,640	6,819,894

Source: own processing, Romania's Tourism Roundup.

If we analyze the number of travels made abroad by Romanian tourists according to destination, we find that European and EU countries have the greatest attractiveness among tourists considering the location that creates the advantage of affordable, less expensive, and the Eurozone.

North American tourists accounted for less than 1% of total travel during the analyzed period, while those in Asia had the highest share of the analyzed period in 2018 when they accounted for 1.5%. Travel in Africa had the largest share in 2017 when it accounted for 0.4% of the total of this year. Although there are certainly tourists who also traveled

to South America, there is no statistical data to prove this

Table 3. Holidays and business trips abroad, by countries of destination (2014-2016) (number)

	2014		2015		2016	
	Holiday trips	Business trips	Holiday trips	Business trips	Holiday trips	Business trips
<b>Total</b>	<b>1,013,478</b>	<b>86,920</b>	<b>1,065,010</b>	<b>121,442</b>	<b>1,000,025</b>	<b>92,697</b>
Europe	994,950	84,073	1,050,525	118,637	993,793	86,361
U.E.	955,589	80,641	982,453	115,790	383,596	84,611
Asia	3,719	1,045	7,188	-	3,516	5,192
North America	14,061	1,802	6,831	-	2,716	1,144
Central and South America	-	-	-	2,062	-	-
Africa	748	-	466	743	-	-

Source: own processing, Romania's Tourism Roundup.

As far as business trips are concerned, we find that there is the same trend, that of travel in Europe. For the other continents, we find that the largest share of business trips in Asia was recorded in 2017 when they accounted for 9% of the total, in North America in 2014 when they accounted for 2% of the total, and in South America, the only year in which travelers were registered was 2015, which was 1.7%.

Table 4. Holidays and business trips abroad, by countries of destination (2017-2018) (number)

	2017		2018	
	Holiday trips	Business trips	Holiday trips	Business trips
<b>Total</b>	<b>1,058,499</b>	<b>102,011</b>	<b>1,236,809</b>	<b>96,136</b>
Europe	1,038,706	92,876	1,215,275	95,461
U.E.	977,242	92,876	1,161,628	91,545
Asia	12,700	9,135	18,230	-
North America	3,145	-	1,700	-
Central and South America	-	-	-	-
Africa	3,948	-	998	-

Source: own processing, Romania's Tourism Roundup.

Globalization has influenced the way of selling tourist packages, as evidenced by the existence of franchises, partnerships, etc. "Tour operators and travel agencies have made partnerships with hotel chains, charter airlines, travel products distributors, and cruise companies, some of whom have joined" [8].

Analyzing the situation of tourism agencies that provide services for tourists, we distinguish them from the agencies that offer sales packages of touristic packages and tour operators. It is noticed that the number of foreign tourists appealing to sales agents has

increased from 1,808 in 2014 to 10,523 in 2018 (Table 5).

Table 5. Number of tourists taking part in the tourist actions organized by travel agencies (thousands)

	Incoming Activity		Activity of domestic tourism		Outgoing Activity	
	2014	2015	2014	2015	2014	2015
<b>Tour operator agencies</b> - Number of tourists – total	218	254	375	431	710	506
<b>Agencies with sale activity</b> - Number of tourists – total	2	2	127	134	317	323
	Incoming Activity		Activity of domestic tourism		Outgoing Activity	
	2016	2017	2016	2017	2016	2017
<b>Tour operator agencies</b> - Number of tourists – total (thousands)	74	105	591	670	541	747
<b>Agencies with sale activity</b> - Number of tourists – total	3	9	163	94	409	153
	Incoming Activity		Activity of domestic tourism		Outgoing Activity	
	2018		2018		2018	
<b>Tour operator agencies</b> - Number of tourists – total	112		959		805	
<b>Agencies with sale activity</b> - Number of tourists – total	11		187		349	

Source: own processing, Romania's Tourism Roundup.

The number of Romanian tourists who used their services either for holidays in the country or for holidays abroad increased from 2014 to 2016, registering a 77% decrease in 2017 compared to the previous year for departures abroad and 42 % for holidays in the country. In 2018 there was a rebound in the activity of these agencies. In what concerns the holidays in the country, we consider that the granting of holiday vouchers to the budgetary employees contributed to the increase of the number of tourists. But the data shows that the number of Romanian tourists who have spent their holidays abroad has increased.

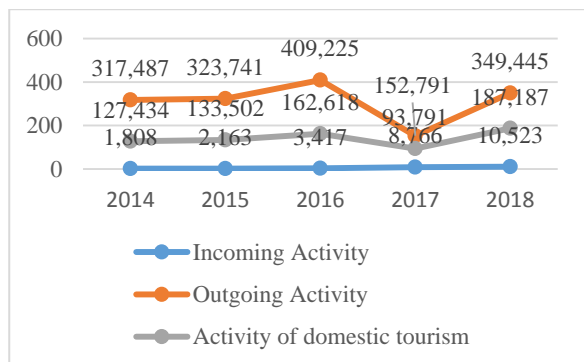


Fig. 1. Evolution of the number of tourists who have turned to agencies with sales activity  
Source: Data processing from the Romania's Tourism Roundup

This has probably also contributed to the increase in wages this year, which has led the Romanians to contribute to the globalization process, as far as the tourism sector is concerned (Fig. 1).

The tour operators has had a number of operators have called for a larger number of tourists, owing to the fact that there is a large number of agencies in Romania, and on the other hand they do a lower commission than those with sales activity. At 2018, the average travel agent's fee was 8.3%, compared with 9.1% for sales agents.

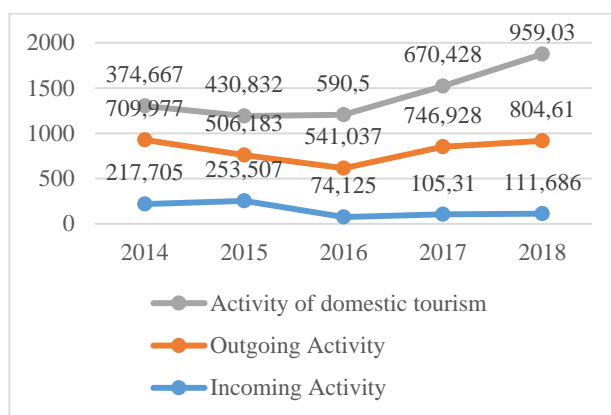


Fig. 2. Evolution of the number of tourists appealing to tour operators  
Source: Data processing from the Romania's Tourism Roundup.

Analyzing the activity of these agencies, however, we find that they are not tour operators in the real sense, they actually resell touristic packages provided by other tourist networks or taken over from the two big players on the Romanian tourist market Tui Travel and Happy Tour.

The data highlighted in Fig. 2, we find a linear evolution of the number of Romanian tourists who preferred as a vacation destination Romania, compared to the tourists who used the agencies for vacancies outside the country decreased during the analyzed period except for the year 2017.

Also the number foreign tourists who used a travel agency to come to Romania were down. Corroborating this data with the number of foreign tourists, we find that they preferred to come up with their own account without resorting to the services of travel agencies.

Analyzing the number of Romanian tourists who have used the services of tourist agencies to travel to the country, we find that European countries are not in this ranking, given that the National Statistics Institute's data refers to the first 10 countries among the agencies.

Table 6. Number of Romanian tourists taking part in the external tourist actions

	Tour operator agencies		Agencies with sale activity	
	2014	2015	2014	2015
Africa	7,522	4,622	555	585
North America	2,959	2,117	3,955	984
Central and South America	3,812	1,930	793	2,904
Asia	7,581	8,874	3,050	3,331
Australia, Oceania and other territories	388	180	-	112
Countries and territories not specified	-	-	-	-
	Tour operator agencies		Agencies with sale activity	
	2016	2017	2016	2017
Africa	1,024	4,480	818	1,249
North America	1,966	9,423	981	671
Central and South America	2,114	2,956	3,354	1,985
Asia	11,852	30,449	9,585	7,724
Australia, Oceania and other territories	877	213	355	463
Countries and territories not specified	-	-	160	-
	Tour operator agencies		Agencies with sale activity	
	2018		2018	
Africa	12,598		5,981	
North America	5,527		458	
Central and South America	2,270		2,896	
Asia	29,976		7,698	
Australia, Oceania and other territories	30		89	
Countries and territories not specified	-		-	

Source: own processing, Romania's Tourism Roundup.



Fig. 3. The evolution of the number of Romanian tourists who have used the tour operators for excursions abroad  
 Source: Data processing from the Romania's Tourism Roundup.

Thus, in the first place among the preference of Romanian tourists eager to travel to the tour operators, there is, throughout the analyzed period, Asia, followed by Africa. Third place is North America, followed by

South America, followed by Australia, Oceania and other territories (Fig. 3).

Analyzing the situation and from the point of view of the agencies with sales activity we find that the distribution of the 1st place was made between different destinations. Thus, Africa ranks first in 2018, North America ranks first in 2014, Central and Upper America in 2015, and Asia ranked first in 2016 (Fig. 4).

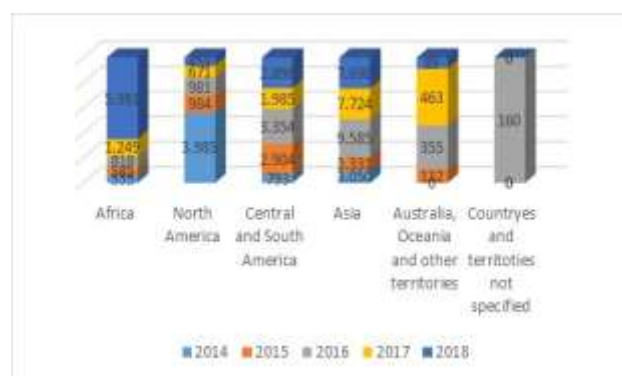


Fig. 4. Evolution of the number of Romanian tourists who chose excursions abroad through sales agencies  
 Source: Data processing from the Romania's Tourism Roundup.

As we can see, there are several factors contributing to the globalization of tourism, competitiveness and attractiveness on the tourism market being given by the revenues from this industry [1].

Although Romania does not register a large number of tourists compared to other European states, there is an improvement in the tourism activity, both in terms of domestic and foreign tourism. By developing tourism, it brings income not only from accommodation but also from other related services that could contribute to sustainable economic growth [6]. But this will have to be accompanied by the development of the infrastructure, the promotion of those particular elements of Romanian tourism, namely culture, traditions, crafts.

It is clear that tourist destinations have to establish identities that differentiate them from other destinations, as globalization has stimulated competitiveness and created a much more complex environment, this being reflected also by the prices and quality of tourism products and services [5].

## CONCLUSIONS

Globalization is a phenomenon that cannot be prevented, which has brought both advantages and disadvantages with its emergence. In tourism, globalization is all the more obvious given the reduction of borders, the development of technologies that have contributed on the one hand to better and easier information of tourists, and on the other hand to facilitate the ways to travel.

Although in recent years the number of Romanian tourists who have crossed the borders of the country, both for business purposes and for the holidays, has increased, compared to other countries the number of this remains small. As regards foreign tourists who arrived in Romania, we find the same thing, namely an increase in their number, but compared to other countries, their number is quite small.

Although Romania benefits from tourist attractions, this being appreciated by both Romanian and foreign specialists, there are numerous barriers in its development. They are related both to the infrastructure, but also to the mentality, the international competition, the investments that need to be made in this field.

The strengths that Romania should exploit for the development of tourism are related to rural tourism, ecotourism, cultural tourism, this must be completed by a good promotion, efficient communication with the business environment, as well as with public authorities, so in context to globalize tourism, Romania to become competitive.

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